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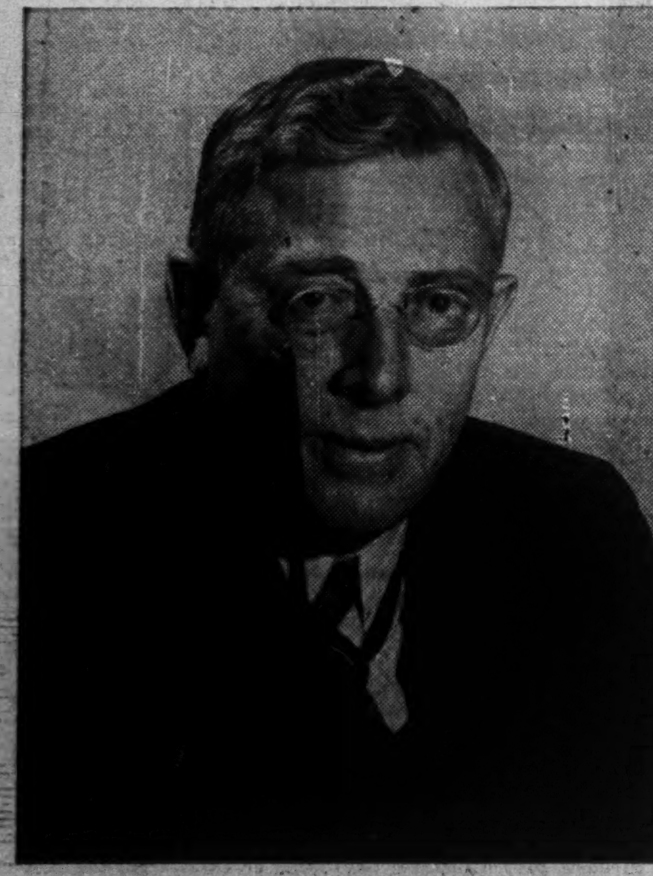
Underwriters' Leader



W. E. Davis Baldwin, 67, is slated for election as president of the Canadian Underwriters' Association this week. He has served on the Council and the Finance Committee of the Canadian Underwriters' Association and is chairman of the Underwriters' Laboratories of Canada. Canadian manager of the America Fore Group of insurance companies, he was for many years president of the All-Canada Insurance Federation.

THE NATION'S BUSINESS

Tolerance of Riots Threatens Our Roots

The worst and most dangerous aspect of the riots among lake seamen is official weakness in suppressing them and public apathy about them.

Tolerance of public disorder is the most serious disease that can beset a society. Yet in many labor union conflicts, the law is deliberately and successfully flouted.

In the lake shipping case, the key fact is this: A Communist-directed union is trying to keep or get control of traffic on the lakes. A fundamental of Communist policy everywhere is to get control in key industries where a whole economy can be paralyzed in peace or war.

The strikebound shipping companies refuse to deal with Communists. That alone is the avowed issue of the strike. Wages and working conditions are not in dispute.

Violence is popular Red strategy. Their hoodlum battles up and down the lakes serve their propaganda cause well. They help obscure the issue and carry out Lenin's dictum: "Our task is to utilize every manifestation of discontent and to collect and utilize every grain of rudimentary protest."

Even more important: Breaking down respect for law and order, getting police and public accustomed to and tolerant of public disorder, is Communist policy for softening up a society, ripening it for Red conquest. Let's not put up with it.

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ERP Not All Velvet

How much new business will come to Canada through ERP depends entirely on how well Canadian industry does a selling job abroad. Trade Minister Howe did well to emphasize that point when he tabled in Parliament a detailed estimate of the $1.6 billions worth of goods Canada might export to Europe under Washington's European Recovery Program.

We will be fooling ourselves badly if we liken these ERP estimates to the firm orders which the returning salesman brings back in his brief case. They are nothing of the kind. Rather they are merely estimates of our capacity, of the sales we might make, provided we turn out the goods wanted and at the lowest possible cost. That is something that management, capital, labor and all others connected with production, must keep in mind.

All that ERP has done is to estimate the amount of potential business in Europe for which it will arrange American credit. The amount of business actually done is up to the individual exporter.

There is another point that cannot be overemphasized. Only a moderate proportion of these ERP estimates cover new business for Canada. A substantial portion, including much of the food, base metals, and forestry products, represents routine exports; goods that we would normally ship to Europe in any case. Indeed with some lines, notably basic foods like wheat, flour and meats, a considerable quantity of these would go to Europe, ERP or no ERP, because our fellow beings across the Atlantic must have them or starve.

Above all, Canadians and Americans should understand that ERP is not some fairy wand that will create a new and profitable market for all we can hope to sell. Actually, it is a desperate attempt to keep some life in a once great market which we would otherwise lose. It is a stop-gap plan to provide Europe with the necessities of life, until that continent can get on its feet and, with its own exports, is able once more to pay its way.

Under such circumstances we would be foolish indeed to expect that these ERP sales are going to be highly profitable sales. Customers lacking both credit and cash can't provide much immediate prosperity for anyone. Where Canada can gain from ERP is the opportunity it provides for getting Canadian goods before people who previously have had no knowledge of our production. If quality, type and price are right, they can be converted into permanent customers.

• • •

Must Plan Defense Together

Canadians will welcome the realistic approach Ottawa now seems to be taking toward defense. Within a few days, Messrs. St. Laurent and Pearson of the Department of External Affairs and C. D. Howe of Trade and Commerce, have stated that Canada would inevitably be involved in any war which affects Great Britain and the United States. Therefore defense policy requires the planning now for mustering and co-ordinating the military and industrial resources of all three countries.

Our training, methods and equipment must be designed to fit into a co-ordinated whole. There will be no time for towing planes across international borders with teams of horses to get around some technicality on neutrality. The business of having fliers of one country train as civilians in another will be as archaic as it was farcical. The ammunition of one army will have to fit the guns of another. Plane engines will have to be interchangeable, and so on.

What is Canada going to do to bring her policy on compulsory military service into line with that of Britain and the United States which have it in some form? A recent Gallup Poll shows that 62% of Canadians believe all young men should spend a year training with the armed forces.

Should Canada concentrate on being an industrial arsenal or should we train fighting forces, or both? Undoubtedly our capacity to produce great quantities of food and material is one of our principal assets in such an organization. If we are to train fighting forces, should we do so in all branches only to have our units largely lose their identity by being more or less absorbed by the forces of other nations as in the last war? Or should we specialize in certain specific branches of defense?

The merit of co-ordinated planning for defense is so obvious that we hope something effective is achieved promptly.

Trade Surplus High Renew U.K. Credit?

Canada Anticipates $500 Million Balance on International Accounts This Year; Adverse Balance With U. S. Being Slashed

OTTAWA (Staff)—It now appears that Canada may achieve a current surplus in her international accounts of between $300 millions and $500 millions in 1948.

This would be two or three times the amount calculated by government experts a few months ago; would compare with only $47 millions in 1947. If realized, it would lead almost certainly to resumption of credit by Canada to the United Kingdom after September, the date now set for reconsideration of this matter.

Two important variables may influence the amount of this surplus: (1) the size and value of bread grain and other crops; (2) the extent to which the Government under political pressure, may have to alter drastically its present program of restrictions and controls against dollar imports.

Achievement of such a surplus has become a possibility on the basis of new figures now available on the pattern of Canadian trade in the first five months of the year. Normally, trade figures are not published until at least six weeks after the close of any one month. But in the House last week, Trade and Commerce Minister Howe revealed departmental estimates for May Trade—almost a month before they will become public property generally.

Whittling U. S. Balance

Canada's over-all balance of trade with all countries is $146 millions up to the end of May; about five times the amount originally calculated. (The figure of Canada's monthly or yearly balance on **trade** account must not be confused with the over-all surplus or deficit on current account in the balance of international payments. Thus in 1947, Canada chalked up a favorable trade balance of $238 millions but her current balance of payments was only $47 millions.

Within this over-all trade balance for the first five months, the specific figures for United States trade are beginning to show some considerable progress in whittling away our over-all adverse trade balance. The five-month record is:

Canada's Trade With U. S. A.
(Millions of Dollars)

	1948	1947	Change
Imports:			
Jan.	150.0	136.4	+13.6
Feb.	136.8	138.4	—1.6
Mar.	138.3	165.1	—26.8
Apr.	159.5	181.6	—22.1
May*	145.6	184.7	—39.1
	730.2	806.2	—76.0
Exports (domestic):			
Jan.	105.0	79.5	+25.5
Feb.	94.8	69.4	+25.4
Mar.	112.5	83.1	+29.4
Apr.	109.2	88.3	+20.9
May*	116.3	79.8	+36.5
	537.8	400.1	+137.7

*Preliminary.

Alongside these figures, United Kingdom has raised its imports to Canada for the five-month period from $66.5 millions in 1947 to $113 millions. Our exports are $305 millions for the five months against $277 millions a year earlier. But this year the trade is now on a cash basis, compared with credit a year ago. (Credit to a total of $52 millions was advanced in 1948 up till April 15, then terminated.)

It is agreed here that the most important single future factor will be the size and value of Canadian crops.

Ottawa to Absorb Wheat Cost Rise Peg Bread Price?

OTTAWA (Staff) — In line with the recommendation of the Parliamentary Prices Committee, it is thought here that the Government will take steps to see that the price of bread does not rise when the new higher U. K. wheat price comes into effect Aug. 1.

The present U. K. contract price is $1.55 a bushel. This price, plus certain carrying charges of about three cents a bushel, is the present price to Canadian millers for domestic flour.

If the full increase in the British price (which goes to $2 on August 1) were added to the Canadian domestic price, it would increase the price of bread by one cent for a 24-ounce loaf. It is believed the Government will decide to absorb the added cost at the present time out of its surplus, rather than pass it on to consumers.

PRICES

Inflation again became the topic of conversation in U. S. this week, with the Federal Reserve Board forecasting an immediate upsurge in the inflationary spiral.

The Board feels the upward movement will continue for some time unless definite government action is taken, probably in the form of raised interest rates on short-term government securities.

Cause of the upward movement would seem to stem from three primary sources: lavish governmental spending, recent price boosts, and expanding bank credit.

The third round of wage raises in U. S. has contributed to a general increase in consumer purchasing power and to additional price hikes (see below). At the same time the easy money policy of American banking circles has added to the inflationary pressure.

The Canadian economy, afflicted with somewhat similar maladies, will undoubtedly follow the inflationary footsteps of its American cousin. Tax-burdened Canadians will be dogged by a continuance of swollen prices.

Elsewhere in the U. S. third round price increases were shown in at least three places, with only one to have any reflection here — at least for some time.

General Electric announced that recent wage boosts and increasing costs necessitated a rescinding of a substantial part of the price cuts made last January and April.

Tractors, farm equipment, too, are going up in price in U. S. With International Harvester raising tractor prices, other farm equipment producers are expected to follow suit.

Car prices continued to follow the trend, with the U. S. Chrysler Corp. announcing increases of

(Continued on page 3, col. 3)

Wages Boosts In U. S. Lift Our Car Prices

A general increase in new car prices appeared almost certain this week.

The all-new Fords were 17.6% more (9.6% in the U.S.). And when General Motors and Chrysler bring out their new models, they seem certain to cost more.

As for lower prices through removal of the excise tax, people in the automotive trade are writing off such talk as wishful thinking.

In several appeals to Ottawa to get the tax lifted, the industry has been told bluntly by Finance Minister Abbott that it didn't have a chance.

The reason it was put on, the Minister stated, it was to cut down car buying. Despite the tax, demand is just as great today as ever.

Wage Boosts Upping Prices?

The question facing auto dealers this week was: would wage increases (G.M. of Canada offered 10c an hour) and higher prices on U.S. parts, force manufacturers to boost prices on present models?

Many thought they would. By midweek, several producers in the U.S. had already hiked their prices. The latest: Chrysler Corp. boosted Plymouths from $75-$90 retail; Dodges $75-$120; Chryslers $75-$125; De Soto, $79-$131.

Earlier Ford, Hudson, Packard and Nash cars and Chevrolet and GMC truck prices were jacked up. Other makers were looking at their wage-price-profit situation to determine how much of the boost in labor costs could be absorbed and how much would

(Continued on page 3, col. 1)

Here's Available Goods For Our Part in ERP

OTTAWA (Staff)—After much backstage debate as to whether or not it should be made public, Trade Minister Howe last week tabled in Parliament the experts' tabulation of scheduled ERP goods which Canada might presumably have available for sale under that program in the 12-month period ending June 30, 1949.

The initial or gross over-all availability total value of all items is listed as $1.6 billion. This is described in the official tabulation as calculated "by deducting domestic requirements and traditional exports to non-ERP countries from total supplies which could be made available during the period."

Against this there is a deduction of $265 million for items "already committed either by government contracts or private trade commitments to specific countries." It is pointed out that these are the "minimal" deductions since there will no doubt "be many commitments undertaken by Canadian exporters which would not be known to the Government and hence not included."

A final column shows the remaining availability after these known commitments have been deducted. This remaining figure is $1.3 billion.

The tabulations which comprise these calculations are those that have been circulated to Canadian Trade Commissioners and officials in various parts of the world. They represent an attempt to put in inventory form the possible amounts of each item which might be available for purchase by individual ERP countries if they wished to place their orders in Canada under this program. In some cases no figures are given beyond an indication that "considerable productive capacity exists."

The lists themselves go into considerable detail to show itemized amounts of grains, timber, fish, food products, farm machinery, metals, meat, machinery, etc., which might be available for purchase by ERP countries. In each case, estimated quantities and an approximate price are given. In many cases the price is based on known contracts or commitments already made for the same type of goods. It is indicated that in addition to the commodities as listed, Canada can also supply considerable quantities of attendant services. Example: approximately one million deadweight tons of Canadian flag or controlled shipping

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Coral Rapids Uranium Find Deal Signed

Ontario's outstanding uranium discovery at Coral Rapids in the Abitibi Canyon, Ontario, is now assured of a thorough exploration program as the result of a deal just signed between the owner, Calmor Mines, and Moneta Porcupine Mines.

A further discovery is reported to have been made by two Dominion Government geologists about a half mile from the original occurrence, further heightening interest in the area.

Moneta, which staked claims of its own last autumn, has a crew of men on the ground and is in a position to start work immediately. If the showings stand up to expectations, Moneta will be in a position eventually to acquire a controlling interest.

'Thaw' U.K.'s Frozen Credit To Aid Trade With Colonies?

OTTAWA (Staff) — The Government is still wrestling with the awkward trade conundrum posed by the Canadian Exporters Association and other groups who see traditional trade connections with the British West Indies and other parts of the Empire dwindling because of sterling controls and import restrictions.

In addition to the original brief of the CEA, similar representations have come from the Canadian Electrical Manufacturers' Association and the pharmaceutical and shoe interests are also considering presenting such briefs.

Chief difficulty facing the Government is finding any solution short of additional dollar aid to Britain to finance this trade. In answer to representations made to London against its policy of colonial controls, the United Kingdom pleads shortage of dollars. Obviously, one possible alternative would be for Canada to put some more dollars to be earmarked specifically for financing traditional markets in the BWI and elsewhere.

Whether the Canadian Government will permit the United Kingdom to draw on its now frozen credit for such a purpose is a question for Cabinet decision. As reported elsewhere in this issue, the Canadian dollar position is showing marked improvement. But against this, fiscal authorities are most loath to reopen credit negotiations with London before next fall, when crop prospects and the whole situation generally will be clearer.

Will Movie Dollar Deal Work?

Hollywood Pledge: More Films To Boost Canada

OTTAWA (Staff) — What's ahead for the Canadian movie industry in the over-all dollar-conservation picture? After six months of negotiation between Hollywood and Ottawa a plan has emerged.

But just how it will work out in terms of easing the $10-$15 million yearly dollar drain involved in movie rentals in Canada remains to be seen. Some leaders in the industry are inclined to think that Hollywood has struck a shrewd bargain.

What is the plan?

In main, it entails tacit undertakings by Hollywood to pay more attention to Canada as a source of movie material. It calls for the shooting of more location sequences in Canada; for a greater number of travelogues, shorts and features on Canadian subjects to be shot by Hollywood companies or bought from Canadian producers; for filming of full-length Canadian titles and for increased newsreel coverage of Canadian affairs.

Underlying the scheme, called Canadian Cooperation Project, is the suggestion that as a result of increased Hollywood attention to the Canadian scene, Canada's tourist trade will benefit by getting bigger promotion play in the United States' 19,000 movie theatres.

No Dollar Cuts

It must not be overlooked however, in all this talk of co-operation and future earning power for Canada, that the movie industry has been allowed to go virtually "scot free" in relation to expenditure of U.S. dollars.

This does not belittle what is being done. It does suggest that the movie industry has been allowed to operate under special circumstances — circumstances which have not been granted to scores of other Canadian business firms or industries, who have been allowed little or no American cloth while they are busy making their coat.

For no attempt has been made to cut off arbitrarily any part of Canadian motion picture exhibitors' U.S. dollar expenditures on rentals of U.S. movies.

Behind the special approach to the movie problem was a background of wartime co-operation between United States and Canada in successive Victory Bond and other patriotic campaigns in which the movie industry gave generous and effective help.

There was also the admittedly bad taste which had been left around, after more arbitrary measures had been taken by United Kingdom, Australia and other countries faced with a similar problem.

Partly because we live pretty close to the Americans and the industry itself, and partly because we thought it was good dollar business to win the industry's support rather than give it the "hot spot" treatment this special approach was made.

How Scheme Developed

How was the scheme developed? Key figure on the Canadian side of the industry was J. J. Fitzgibbon, president of Famous Players Canadian Corp., spokesman and leader of the exhibitors' side of the industry, who is also in close personal contact with the producing and distributing industry in the United States.

Through Mr. Fitzgibbon the support of Francis Harmon and Eric Johnston of the Motion Picture Association of America was obtained. They assigned two representatives — Blake Owensmith of Hollywood and Taylor Mills in New York—to develop the U.S. side of the project.

Don Henshaw of MacLaren Advertising Co. was retained by

(Continued on page 2 col. 4)

Human Nature Drubs Economics

Do What's Needful to Retain Office is the New Policy as Government Starts to Bend Before Protest Against "Too Tough" Austerity

By KENNETH R. WILSON

OTTAWA (Staff)—The Government can be expected to accept immediately the recommendations of its own Liberal membership and of its Prices Committee and modify its dollar restriction and decontrol policy to meet a mounting tide of public resistance.

This despite Finance Minister Abbott's assurance on Tuesday of this week that the rumor of removal of excise taxes was "without foundation."

There will be no "crisis"; no resignations; no fundamental turning away from dollar restriction and decontrol. But what will likely happen will include:

(1) A removal of outstandingly "obnoxious" items such as some or all of the 25% excise taxes;

(2) Decision that there won't be any future austerity on fruits and vegetables which have become an inherent part of the Canadian standard of living;

(3) Some subsidization of items like bread which otherwise would rise in price, with the change in wheat price that goes into effect at the end of next month.

Most if not all of these changes will be tied to the recommendations of the Parliamentary prices Committee. It will be argued that they are changes which would have been recommended and would have taken place in any event.

But no one here seriously believes that they are other than changes hurried into action prior to the close of Parliament and prior to the Liberal convention, by reason of the mounting pressure of public and grassroots opinion — opinion which says, in a word, that the Abbott "austerity" program was too tough.

Mr. King's Position

Currently, and especially since the celebrated Louis Breithaupt incident of last week, it is popular to say that Mr. King never really had his heart in these "austerity" features, etc., etc. Certainly, this is the impression which any astute political leader would like to give when his rank and file come and express anger and concern about an obviously unpopular measure.

But one view at least is that the basic weakness of the present situation is the lack of effective leadership by Mr. King himself.

Mr. King was off at an important social event in Britain when the austerity program went into effect. Uncertainty about the future leadership of the party has kept the Cabinet jittery in the present difficulties. It is the slowing down of effort attendant on the switch in leadership, which has found the Liberals "asleep at the switch" in recent election contests.

True, it was Mr. Abbott's responsibility as Minister of Finance to recommend specific features of the "austerity," tax and decontrol program. But in at least one important instance (the embargo against exports of cattle, etc., to the United States) Mr. Abbott and his advisers have been ready and eager to clear away controls for at least the past six months. They met opposition from other cabinet members who had their own political axes to grind.

Effect of the Elections

And whatever results may develop in Saskatchewan this week, there can be no overlooking the fact that the Liberal Government at Ottawa completely missed the boat in its appraisal of what was happening in the Ontario elections. It let French-Canadian seats slip away without ever knowing it was happening until it was all over. It overlooked a rising tide of Liberal support in Western Ontario which could easily have been brought to a head by proper stimulation. It was completely ignorant of the CCF possibilities in urban centres like Toronto.

These and other miscalculations of the by-election boss, Mr. Howe, have shattered the Cabinet's faith in its own political judgment.

Even before the Breithaupt interview of last week, the cabinet had already been struggling with the birth pangs of a new and less austere policy — a policy geared to the idea that it is better to stay in office and be wrong, than be right and out in the cold. This Government still believes it can hold on to office (because of the lack of an effective alternate government group). Therefore it is veering quickly round to a policy of doing what it thinks is necessary to hold on to public favor, rather than what is believed to be strictly "right."

On the other hand, there will be a considerable aura of virtue put around what is about to take place. It will be argued (correctly) that the fundamentals of high taxation and a rigid "austerity" program have not changed. It will be argued that the Government had all along intended to make adjustments in its program, as soon as it was proved that the exchange crisis had been overcome.

What is important and different about the events of the last few weeks, is that they have been brought suddenly into focus by a severe attack of political jitters

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Inside News

Newfoundland Picture

Newfoundland stands today at a crossroad in its history. Early this month, the Island voted on a referendum to determine its political future; but a second vote became necessary, and will be held July 22, to determine whether Newfoundland will return to responsible government, or will cast its lot with Canada. In view of this, The Financial Post's survey of Newfoundland's economic, industrial and political picture, is of particular timeliness (pages 21 to 33).

Still Need More Steel

The iron and steel industry is operating today at a record peak. Canadian production is 250% of the 1935-39 average; U.S. output 15 times that of 1940; profits and wages were never higher. Yet steel is still the worst industrial bottleneck in Canada and the world, because of the pace at which demand still outruns supply. What are the prospects of relief? (page 11).

Anti-Socialist Coalition?

Does Canada need a coalition of old-line political parties, against Socialism? England, watching the outcome of recent elections here, is pondering the question; does not favor such a move, but fears it may become necessary within a decade or less. London Calling, by Adelphi (p. 36).

U.K. Socialists Losing?

Labor will not elect or defeat the Atlee Government, in the next British election. The fate of the Socialist administration lies in the hands of the middle class, which owes no fixed allegiance to any party. And that group is swinging definitely against Socialism, as it has worked out in the last three years, a Maclean-Hunter staff observer reports from London (p. 20).

Judges as Conciliators?

Should Canadian judges serve on conciliation boards in labor disputes? If they do so, does it tend to bring the judiciary into dispute? Financial Post readers discuss the question; most feel strongly on the subject, either pro or con (p. 15).

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New Silk Mill Planned In Galt

A new silk mill is being planned for Galt by the McCormick brothers who formerly controlled Riverside Silk Mills in that city, The Financial Post is informed.

Buildings built by War Assets Corp. for the Shurly Dietrich Co. will house the new looms and equipment, which are reported to be of latest design.

Pace of Business

All stock groups on Toronto and Montreal Stock Exchange indices moved lower since last issue except MSE index of utilities, which is narrowly higher. While prices lower, no volume of liquidation experienced as Canadian stocks followed easier N. Y. trend. N. Y. rails showed renewed strength at midweek.

Canadian imports for consumption stood at $187,153,530 in April, up $13,715,587 over the same 1947 month. Imports from U. S. were $159,461,117 ($181,568,966).

Wholesale sales in Canada during April rose 6% in dollar volume over April of last year and 8% above March, 1948. DBS also reports that the general unadjusted index (1935-39 = 100) went to 284.4 (264.4 for March, 268.8 for April, 1947).

Domestic exports of wheat in May were 12,206,194 bushels at an average value of $1.567 (18,315,443 bushels, average value $1.649 in May, 1947).

Coal production in Canada during May was 1,353,000 tons, bringing the total output for the first five months this year to 7,127,992 tons (5,524,114 tons in 1947 period). May output was down from April's 1,603,000 tons.

Car loadings on Canadian railways for the week ended June 12 were 75,144 cars (77,626 the preceding week, and 78,128 cars in corresponding 1947 week).

Farm income from sale of dairy products was $27,551,000 in April ($22,978,000 in the same 1947 month).

Production of leather footwear in Canada decreased during April 107,407 pairs from March and 421,190 pairs from April, 1947, to 2,983,560 pairs. The first four months' total stood at 11,231,360 pairs (13,292,536 in same 1947 period).

Will Hollywood Deal Help Canadian Movies?

(Continued from page 1)

MPA as its chief liaison officer in Canada.

What's the program, how is it developing? An impressive record is being claimed.

Newsreel coverage is up over last year. For all of 1947, Canadian subjects appeared 61 times in U.S. assembled newsreels. This year to date the score is 64.

Paramount is currently releasing its new two-reel short called "Neighbor to the North," a documentary explaining to United States audiences "why certain things happen in trade relations."

Universal put out a short "Snow Capers" featuring winter sports at Banff. Through the efforts of the project committee the commentary was rewritten to give Banff a better plug: "nine Switzerlands in one"; "a glorious vacationland where summer and winter people from U.S. are coming in increasing numbers."

More On Way

Other Canadian shorts in the making or about to be released:

There's Warner Bros. technicolor piece, "Calgary Stampede."

A series on important North American cities by Universal will include at least one Canadian city.

Shorts on Ontario and Quebec are part of the James A. Fitzpatrick series of travelogues.

Movietone has a one-reel technicolor on Quebec in production.

An interesting example of the use of Canadian sequences in feature productions is the shooting of scenes in and around Jasper Park for the Bing Crosby picture "Emperor Waltz": over $750,000 was spent on Canadian sequences.

Work is under way to sponsor or expand production of purely Canadian pictures. RKO plans a feature on the Canadian Pacific Railway. As a result of the project committee's activity, the production budget has been raised and other difficulties overcome. This picture is to have worldwide distribution.

Twentieth Century Fox has listed a picture on the RCMP, research on which has been under way in Canada since early this year.

Establishment of Canadian liaison direct with Hollywood and New York is expected to build up a considerable opportunity for Canadian sequences.

Material Abundant

The Canadian office of the project committee has sent out a brochure with a score of specific ideas for new Canadian shorts ranging from Canada's oil boom to her "friendship towns" like Calais and St. Stephens, N.B., which pool fire departments and water supply for mutual use.

As well, the committee has prepared and circulated to the industry a 45-page brochure listing Canadian biography, historical books, etc on which full-length Canadian features could be built. These include reports on such books as Douglas MacKay's "The Honorable Company": a history of the Hudson's Bay Co.; Stephen Leacock's "Sunshine Sketches"; The Yukon Gold Rush; Sir Frederick Banting; "Pride's Fancy" by Thomas Raddall and the new novel on Canada-U.S. relations published last week: "The Precipice," by Hugh MacLellan.

Radio Boost, Too

By way of aiding U.S. tourist trade in Canada the industry, through Rupert Lucas of CBC, has produced a series of 15-minute programs which include three-minute transcriptions by leading Hollywood stars.

Scripts were written by Don Henshaw and the programs dramatize various phases of Canadian life. It is hoped to have these used without charge in several hundred radio stations throughout the U.S. and elsewhere. Over a dozen recordings have already been made.

Every few months an assessment will be made of progress in working out this program. Just what has already been done or will be done in 1948 is hard to measure in dollars and cents. But the whole program is built on the premise that any one of the various lines of approach may result directly or indirectly in creating goodwill or developing Canada-U.S. relations in ways which are themselves worth considerably more than the $10-$15 millions which go back from Canada each year in the form of U.S. dollars.

Some Are Doubtful

In some sections of the industry the plan has received a lukewarm reception. They're doubtful that it will live up to expectations. They point out that Hollywood producers have been doing a lot of budget-trimming of late in face of contractions in other markets and likely will be loath to do any extensive spending on location in Canada, unless forced to.

And in view of the fact that Canada, after Britain, is Hollywood's principal market outside United States, they feel Ottawa could have struck a firmer bargain calling for more specific commitments from Hollywood. Canadian scenery, they say, has always been good marketable movie material, and increasing interest in Canada as potential material for full-length features was already evident long before dollar-conservation became necessary.

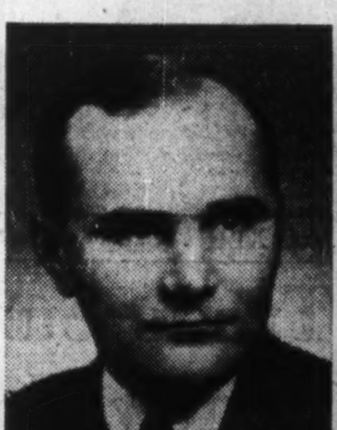
For example they cite: "49th Parallel," made in 1941, which netted over $2 millions for its producers; "Whispering City"; "The Tin Flute" and the latest, "North West Stampede" which J. Rank made last summer at a cost of $1.2 million, a great deal of which was spent on location in Canada. This picture gets its world premiere in Calgary the middle of next month, will then be released throughout the world by the Rank Organization, which has further plans for full-length Canadian titles.

These same interests also maintain that increased showing of British movies in Canadian theatres could begin to achieve "overnight, twenty times the U.S. dollar-saving that the present vague plan visualizes."

This is not a question of bringing in more British pictures but of getting them into the large proportion of U.S.-controlled theatres in Canada which, it is contended, pursue a shut-out policy towards all but the "musts" of British movie production.

In Ontario, it's noted, there is a quota law compelling the showing of a certain proportion of British movies.

Only the record a year or two hence will show whether Hollywood or Ottawa got the best of the deal.



CHARLES L. GUNDY

of Toronto, has been elected president of Wood, Gundy & Co., succeeding his father, J. H. Gundy, who becomes chairman of the board.

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

American Association of Railroad Superintendents—S. M. Gossage (Montreal) president.

Aikin-McCracken Ltd.—Phyllis Judson, media director.

Ashley & Crippen Ltd. (Toronto)—D. A. Gibson, president and general manager.

Alberta Pharmaceutical Association—C. G. Torrance (Mannville) president; Walter Sprague (Edmonton) vice-president.

Bank of Canada—Edward W. Davies (Ottawa), agent, Saint John.

Bank of Nova Scotia—N. R. Campbell, manager, Edmonton branch.

British American Oil Co.—L. L. McMahen, divisional sales manager, Alberta (Calgary); W. L. Day, district sales manager, Edmonton.

Canadian Brush Manufacturers' Association—C. W. Meakins (Hamilton) president; R. J. Pequegnat (Port Elgin) vice-president; W. J. Cannon (Toronto) secretary-treasurer.

Cordners Ltd. (Montreal)—Andrew C. Cordner, chairman of board; R. L. Bond, president.

Canadian Pacific Railway Co.—H. A. Francis, industrial agent, Vancouver.

Canadian Credit Men's Trust Association—N. W. Sharpe, president, B. C. division; A. H. Aggett, vice-president.

Canadian Food Manufacturers' Association—David McLaren (Calgary), president of national council; J. E. McRostie (Toronto), vice-president; W. N. Hendrick (Toronto) general secretary.

Canada Steamship Lines—R. W. Cassam, European traffic manager (London).

Canadian Car & Foundry Co.—E. E. Hampson, sales manager, steel and malleable foundries divsion.

Canadian Vickers Ltd.—T. R. McLagan, executive vice-president and general manager.

Canadian Line Materials—L. A. de Savoye, district manager, Montreal.

Czarnikow (Canada) Ltd.—E. J. Bream, Ontario sales manager.

Dorr Co. (New York) — Cyril Hewson Knight, manager Canadian division (Toronto).

Dominion of Canada General Insurance Co.—J. P. Gautier, Quebec and Maritime branch manager; R. L. Grout, branch secretary.

Dan Gibson Productions (Toronto)—Chas. W. Tisdall, production supervisor.

E. T. Lynch & Co. (Toronto)—C. H. Punchard, a general partner.

General Motors Master Salesmen's Club—Geo. S. Climie (Vancouver) president, Pacific division; Sam Taylor (Victoria) vice-president.

Gordon Mackay & Co. — Harold Miles, manager, Hamilton office; Paul Richardson, manager, Orillia division; William Silk, manager, Regina.

Hygiene Products Ltd. — R. G. Daykin, vice-president; J. W. Coulson, secretary-treasurer; H. S. Daykin, a director.

Harrison & Co.—N. A. Mitchell, manager, wholesale department.

Halifax Insurance Co.—J. Cecil Stuart, general manager; J. E. MacNelly, assistant general manager; D. J. Jackson, casualty manager.

Huron & Erie Mortgage Corp.—John W. Hobbs, Toronto, vice-president; V. P. Cronyn (London, Ont), a director.

High Speed Tools Ltd. (Galt, Ont.)—Hubert MacDiarmid, assistant to president.

Industrial Caterers Ltd. (Montreal)—Andrew C. Cordner, chairman of board; Geo. F. Heckman, president.

Independent Public Accountants' Association of Ontario—G. Carlton McEachern, president; Howard C. Hogg, vice-president; Stanley R. Patterson, secretary; Jas. C. Logan, treasurer; Harvey S. Borden, Clifford A. Fralick, B. W. Ware, directors.

James Richardson & Sons—H. J. Vidricaire, manager bond department, Montreal.

Lorne St. Clair & Co. (Windsor)—Lorne St. Clair, president.

London Life Insurance Co.—J. S. S. Grant, manager, Insurance Exchange Building office, Montreal.

Life Underwriters Association of Montreal—Clarence S. Madill, president; Julien Benoit, John B. Sparling, vice-presidents; W. O'H. Percey, secretary-treasurer.

Lou Heft, Inc. (Montreal)—Sam Heft, executive and sales representative, Manitoba and Saskatchewan.

McGill University (Montreal) — Dr. D. P. Mowry, dean of dental faculty.

McMaster University (Hamilton)—C. P. Fell, J. B. McArthur, Dr. J. B. McLaurin (all of Toronto), Arnold G. Hitchon (Brantford), Rev. M. F. McCutcheon (Montreal) governors.

Maritime Auto Dealers Association—W. D. Brennan (Halifax) president; H. D. Robertson (Halifax) vice-president; C. R. Taylor (Windsor) secretary-treasurer.

Molson's Brewery Ltd. (Montreal)—Armand Pambrun, advertising manager.

Mortgage Loan Association of Manitoba—R. F. A. Ogletree, president; A. C. Barber, H. R. Glover, J. McPherson, vice-presidents.

National Federation of Sales Executives—Roydon M. Barbour (Toronto), a vice-chairman.

Pioneer Laundry & Dry Cleaners Ltd. (Vancouver)—A. R. Bernard, general manager and secretary-treasurer.

Parke Stethem Ltd. (Montreal)—R. J. Chillas, general manager, and a member.

Red Cedar Shingle Bureau—Maurice M. Walker (Vancouver), field representative in Canada.

Silk and Rayon Institute—W. G. Hicks (Montreal) president; E. F. King, chairman, broad fabrics section; W. G. E. Aird, spun rayon chairman; W. V. Holton, chairman throwsters; W. G. McGhie, chairman, dyers; W. G. Hicks, chairman narrow fabrics; W. N. Hancock, chairman labels; G. L. Peart, chairman elastics; F. E. Welch, chairman, shoe laces.

Stewart Smith (Canada) Ltd.—R. G. MacIsaac, a director.

Sherwin-Williams Co. of Canada—Lee Phillips, assistant manager, western district (Winnipeg).

Toronto General Trusts Corp. — Howard P. Miller, manager, estates analysis department, Winnipeg; D. A. Cameron, assistant manager.

Toronto Mutual Life Insurance Co.—Edward W. Hesketh, manager, Toronto east district office.

Union Steamships Ltd.—George B. Rea, assistant comptroller (Vancouver).

United Airlines—Ernest Edwards, station manager, Vancouver.

Wood, Gundy & Co. (Toronto)—J. H. Gundy, chairman of board; C. L. Gundy, president.

Life Officers to Meet At Montebello in 1949

The Canadian Life Insurance Officers Association, the Life Agency Officers Section of the association and the Life Insurance Advertisers Section, will hold their 1949 annual meetings at the Seigniory Club, Montebello, Que., May 17-19. The program is expected to follow the same lines as in previous years.

Classified ADVERTISEMENTS

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

POSITIONS WANTED

EXECUTIVE ASSISTANT AVAILABLE

YOUNG LAWYER with professional training in business administration seeks position as an executive assistant. Presently associated with large legal office in Montreal. Highest references. Apply Box 6, The Financial Post, Toronto 2, Ontario.

PERSONNEL CONSULTANT AVAILABLE

FORMER NAVAL OFFICER, bilingual, graduate of two universities in Commerce and Personnel Phychology desires personnel work with industrial firm, to specialize in aptitude testing, counselling and foreman training. Apply Box 10, The Financial Post, Toronto 2, Ontario.

YOUNG CERTIFIED Public Accountant with ten years business experience including public relations, office management and public accounting (6 years) seeks position of responsibility with future. Speaks three languages. Fully experienced in general and cost accounting of variety of industrial and commercial organizations. Possesses sound and mature judgment. Presently employed. Box 25, The Financial Post, Toronto 2.

GRADUATE ENGINEER nine years experience production, design, purchasing, quality control desires position with future in smaller company. Box 20, The Financial Post, Toronto 2.

POSITIONS AVAILABLE

COMPTROLLER FOR HOTEL

STATE AGE, experience, salary expected and references in detail. Box 24, The Financial Post, Toronto.

BUSINESS OPPORTUNITIES

AUTO DEALERSHIP FOR SALE

AS A GOING CONCERN: Excellent location in Western Ontario city; Sound business, established since 1922. Apply Box 7, The Financial Post, Toronto 2.

WE HAVE A MODERN PLANT of approximately 10,000 feet in western Ontario at which we are currently producing Dies and Stampings and doing various machining and assembly work as well as manufacturing our own products. We are prepared to sell, lease, or enter into a satisfactory arrangement to produce for a major plant. Apply Box No. 9, The Financial Post, Toronto.

SEEKING ACTIVE or Silent Investors, to buy half interest in an established Office Furniture Manufacturing Company, netting 15% profit. Ideal location, new equipment and recently constructed factory. Prefer party with administrative and sales ability. Excellent opportunity to secure sound and profitable business. Write Box 21, The Financial Post, Toronto.

AGENCIES WANTED

AGENCIES WANTED

TWENTY EIGHT YEARS engineering sales and management now require two or three good lines preferably selling to utilities—building or engineering trades. Have small, perfect selling organization. No objection to introducing new lines. Box No. 4, The Financial Post, Toronto 2.

NEW WESTERN Canada Sales Agency desires lines. We can offer high-class sales representation based on solid experience and best of contacts. Automotive Parts and Equipment, Industrial Tools and Equipment, and Sports lines desired. Best of references. Only Manufacturers need apply. Box 19, The Financial Post, Toronto.

CALIFORNIA SALES AGENCY wants Canadian products to energetically promote. Box 16, The Financial Post, Toronto.

MEN'S RETAIL FURNISHING BUSINESS FOR SALE

Entire issued and outstanding shares of long established business situated in downtown area of large Western City. Purchase price approximately $200,000.

For further particulars apply

BOX 12 THE FINANCIAL POST TORONTO

CHARTERED ACCOUNTANT AVAILABLE

Employed but desires to better position. Exceptionally wide experience including several years in industrial-commercial field. Age 40. Interested in responsible position providing scope and future with progressive organization. Location secondary to good opportunity.

BOX 17, THE FINANCIAL POST, TORONTO

CHARTERED ACCOUNTANT AVAILABLE

Young chartered accountant having seven years auditing experience with large firm desires industrial or commercial position where ability and work will lead to a good future.

BOX 99, THE FINANCIAL POST, TORONTO

FOR SALE

Die and Metal Stamping Plant in large city in Southern Ontario, as a going concern well organized with the best of reputation. Established over 15 years. Price $50,000.00, a good investment. Owner's age reason for selling.

BOX 269, THE FINANCIAL POST, TORONTO, ONTARIO

PLANT CAPACITY AVAILABLE

Large nationally known manufacturer
Sheet metal works, large shear and break works
Machine and tool shops
Complete welding equipment, including Heliarc
Large assembly area
Light Alloy specialists

BOX 23, THE FINANCIAL POST, TORONTO

CORPORATION LAWYER-EXECUTIVE

. . . particularly qualified as a corporation secretary or national trade association official, seeks responsible position. Knowledge of public and employee relations practices. Familiar with government departmental procedure and taxation matters. War service in senior staff appointments. Bilingual, mature. If further details, references desired, give outline of duties, prospects, location and salary range in letter to

BOX 18, THE FINANCIAL POST, TORONTO

EXECUTIVE AVAILABLE

Permanently employed but seeks wider scope for talents as Production or General Manager of manufacturing firm employing up to 400 persons.

Would prefer basically sound concern but in need of production and sales re-organization. Wide experience, sound judgment, ability in aggressive leadership and faculty for getting things done, age 40. Salary requirements $6000.00 plus bonus on accomplishment.

WRITE BOX 15.
THE FINANCIAL POST, TORONTO

REAL ESTATE MANAGEMENT

Financial Institution requires young man (25/35) with experience in this line. Permanent position with good opportunities for increasing earnings — Pension Plan — State experience and salary desired.

Box 22, The Financial Post, Toronto

FOR SALE

Two storey Brick, full basement, excellent construction, 11,000 square feet, electric freight elevator, on Canadian Pacific Railway trackage. Complete steam heating system, three offices, occupancy August.

Price $33,000.00.

NORTHLAND EQUIPMENT & SUPPLY CO.
425 OAK STREET WEST,
NORTH BAY ONTARIO

DISTRIBUTION FACILITIES AVAILABLE

Financially responsible Canadian Manufacturer favorably known by department stores, notions, furniture and appliance dealers from coast to coast, wishes to add new lines. Warehouse and sales force available.

Box 13,
The Financial Post, Toronto

EXECUTIVE AVAILABLE

Twenty-three years experience production and sales management. Excellent references. Presently employed.

Box 278,
The Financial Post, Toronto

EATON'S can design, construct and decorate *your* display... anywhere in Canada

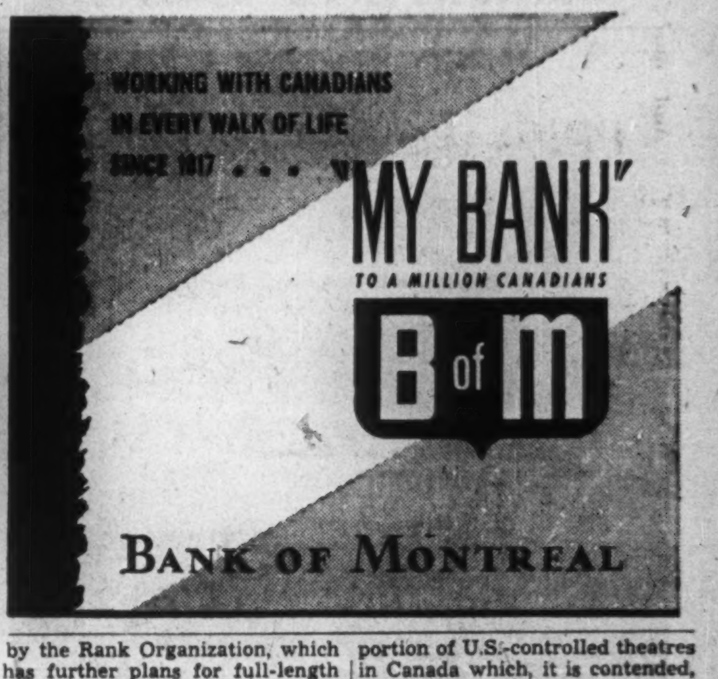
Whatever you are planning as a display for exhibition, fair or convention, Eaton's is fully equipped to offer you a complete service in designing, constructing and decorating displays of all types. Interior or exterior props, promotional units, industrial exhibits, street and building exhibits, floats, flags and banners . . . Eaton's will plan it, submit sketches, estimates, and contract to do a complete job geared to your needs. Write or phone.

DECORATIVE DISPLAYS - 58 HAYTER STREET

T. EATON C° LIMITED

BRANKSOME HALL

A Residential and Day School for Girls
10 ELM AVENUE, TORONTO
Junior and Honour Matriculation
also
Junior School—Art—Music—Household Economics—Secretarial Course—Swimming Pool—Skiing at School Farm—Skating. New property of six acres just added.
School re-opens Thurs., Sept. 9th
For illustrated calendar write the Principal
MISS EDITH M. READ, M.A., LL.D.



ROTHESAY COLLEGIATE SCHOOL

— Founded 1877 —

AN OLD NEW BRUNSWICK BOARDING SCHOOL

For boys between the ages of 10 and 18

No better assurance of success can be given a boy than a sound education—education in scholarship, character and physique.

Rothesay Collegiate School with its fine buildings, extensive playing fields and facilities, its able and experienced staff, offers a splendid opportunity for the type of education needed today. Separate residences for Seniors and Juniors, small classes, supervised games, gymnasium, two hundred acres of beautiful countryside.

Full information will be supplied on request to the **Headmaster. C. H. Bonnycastle, B.A.**

ROTHESAY COLLEGIATE SCHOOL
ROTHESAY, N.B.

RIDLEY COLLEGE

FOR BOYS

Ridley College — for boys 8 to 18 — combines the advantages of supervised residential life in modern buildings, with sound academic, athletic and character training. Over 80 acres of playing fields for organized recreation. Generous entrance Scholarships and bursaries. For information and illustrated prospectus, write the Headmaster — H. C. Griffith, M.A., LL.D.

Applications are now being entertained for boys who will be ready to enter Ridley in 1948 and later years. Fall Term opens Tuesday September 14, 1948.

RIDLEY COLLEGE
FOUNDED 1889
ST. CATHARINES, ONTARIO, CANADA
2-48

FOR A SUMMER UNDER THE SUN!

MEN'S SWIM SHORTS

On the beach or in the water, here are the comfortable-fitting twill rayon swim shorts you'll want this Summer! Boxer-style, with knitted-in support, money pocket, elasticized waist with inside drawstring. Gold, black, sand or royal blue, in sizes 30 to 40. PAIR 4.95.

Simpson's TORONTO

THE STORE FOR MEN
Street Floor

U.S. Wage Boosts Seen Upping Car Prices Here

(Continued from page 1)

have to be passed on to the public.

It was being freely predicted in U.S. automotive circles that a general price increase loomed as a certainty as the third-round pattern of an 11c-13c wage raise spread among first and second-line automotive suppliers.

Foresee Costs Higher

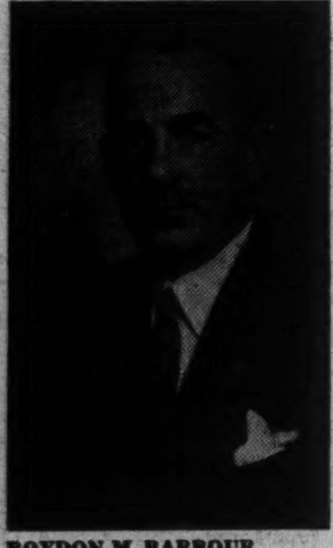
As some of these also supply Canadian manufacturers, increased costs would bound to be felt eventually on this side of the line. This, plus a wage boost of at least 10c an hour in Canadian auto plants could only mean higher car prices.

Ford of Canada whose prices are already set for their new models, still has to deal with the CIO Auto Workers; so has Chrysler. This is being cited as one reason for the larger percentage increase in Fords in Canada than in the United States; Ford of Canada might be allowing for an expected wage increase while the U.S. firm did not. At the time U.S. prices were announced, Ford warned they would be subject to revision after wage negotiations were complete.

Another factor in the higher Canadian price increase might be that because of lower volume, costs of tooling have to be amortized over fewer cars. The same economic rule also applies to parts suppliers. Costs generally are higher in Canada.

As a guide to what future car prices might be, here's a table of Ford prices at Windsor without freight and delivery charges. Old prices including sales and excise tax, are in brackets:

Model:	Factory list	Excise & sales taxes	Total
Deluxe Coupe	$1,450	$389	$1,839 ($1,532)
Deluxe Tudor	1,525	419	1,944 ($1,630)
Deluxe Fordor	1,595	452	2,047 ($1,714)
Deluxe Club Coupe	1,570	440	2,010 (not made)
Custom Tudor	1,595	452	2,047 ($1,706)
Custom Fordor	1,665	484	2,149 ($1,783)
Custom Club Coupe	1,640	473	2,113 ($1,771)



ROYDON M. BARBOUR

manager of Saturday Night Press, Toronto, has been elected a vice-chairman and senior Canadian executive of the board of the National Federation of Sales Executives.

Human Nature Winning Out?

(Continued from page 1)

and fears — fears born in part of the forthcoming leadership upset; realization that the Government is getting tired and old (as indeed it is); realization that the time to mend political fences is right now, and not at some mythical period before the next election.

The now-celebrated Breithaupt interview with Prime Minister King has undoubtedly played a proper and significant role in what is transpiring.

Louis Breithaupt is a quiet, modest and highly respected Liberal member who represents Mr. King's own riding of Waterloo North. Because of his personal friendship with Mr. King and his own strong devotion to the party and the leader, he was chosen to head a small delegation of Ontario Liberals anxious to put before "the boss" their convictions and experience arising out of the rout of provincial Liberals in the recent Ontario election. An added reason for choosing Mr. Breithaupt was that he is a highly successful business man in charge of a well-established family concern who believes strongly in the "free enterprise" system. Thus he had peculiar qualifications to talk about a situation which had for a conclusion a recommendation to remove the excise taxes.

The delegation which met Mr. King had no particular quarrel with Mr. Abbott or with the "experts" who advise the Government. But they did feel very strongly that in light of Ontario campaign experience, it was apparent that the opinion of experts in the recent budget had too far outweighed a proper political judgment as to what the public would stand in the way of tax burdens.

Share with Taxpayer

In light of the phenomenal surplus which had been piled up in the last fiscal year, the Ontario Liberals argued that something must be done and done immediately to share this accumulation with the taxpayers who had been responsible for it, rather than try to conserve it in its entirety for another 12-month period.

It seems also apparent in light of subsequent events, that not only does Mr. King agree wholeheartedly with the Ontario diagnosis but that the membership of the Prices Committee has a similar view.

Thus the suggested course for immediate and urgent action was something that could be done outside a formal budget speech.

That "something" is obviously the excise taxes which are directly under order-in-council authority. Because of their "temporary" nature, this can be removed by the Cabinet at will.

Clearly the Government was embarrassed by the premature press leak of Monday. But the urgency and insistence of the pressure for removal is taken here to discount almost completely the Abbott statement that the rumor was "unfounded."

J. H. GUNDY

of Toronto, has been appointed chairman of the board of Wood, Gundy & Co.

PRICES

(Continued from page 1)

from $75 to $131 on all four makes of cars. In Canada (as predicted last week) Canadian companies began to announce their own increases — Ford taking the lead with a boost of 17.6%. Other increases are in the offing when the other major companies bring out their new models (see page 1).

Platinum hit the price skids in the U. S. during the week, dropping $13 to a wholesale price of $75 an ounce. Attributed to a seasonal decline in jewelry, the lowered price will be felt in Canada as this country is a major platinum producer.

Shirts: While the $5 line is likely to be held in Canada for some time to come in line with present high costs of British materials, Americans are enjoying a reverse situation: shirt sales are lagging, retailers are clipping 50c and more from the $3.50 average for leading brands. And U. S. manufacturers' new fall prices likely will go down.

Canadian situation is governed by 32% quota on imports of U. S. materials. With British suppliers maintaining a firm and almost out-of-reach price line on cottons, Canadians may find a shirt shortage on them by fall as manufacturers cut U. K. purchases rather than run the risk of loading themselves with expensive inventory.

Cattle prices dropped around $2 per cwt. in Toronto this week, when huge holdover glutted the market. Indications point to the situation being only temporary while packing houses try to eliminate their excessive inventories, built up in an effort to forestall rising prices.

With consumers showing a very definite restraint in their meat purchases, a small price recession might be brought about. However, if cattle embargo is lifted as expected, relief would be short-lived and even higher prices imminent.

Winnipeg rye for July delivery advanced this week from a low of $2.66 registered last week but was still a long way from the early year price of $4.50 a bushel.

Ontario winter wheat with the price ceiling off will probably advance to meet the prices of Western wheat. This will mean Ontario farmers will be in pocket 15c to 20c a bushel.

Beer prices fulfilled a February prediction with an Ontario net increase of 22c a case.

Fruit and vegetable prices showed an over-all decline during the week, with only two major increases being recorded.

Look For It Here

June 26, 1948

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ERP to Get 467,000 Tons Base Metals

OTTAWA (Staff)—Some 467,000 metric tons of Canadian base metals, nickel and aluminum are considered "available" for ERP countries in the year beginning July 1, 1948, according to government estimates. Value of these metals is estimated at $167.7 millions.

What ERP is doing for Canada, as far as nonferrous metals are concerned, is providing means of payment for deliveries of metals to countries which would ordinarily be buyers. Almost every nonferrous metal operation in the Dominion has been operating at as great a productive rate as possible so great is the demand for metals in recent months.

Of the total, actual commitments under contract or allotment to individual ERP countries up to Dec. 31, 1948, amount to 225,000 metric tons, valued at $80.5 millions.

Of these commitments, approximately 80% or 181,000 metric tons, valued at $63.2 millions, is committed under contract or allotment to the United Kingdom.

In many cases the price at which the U. K. contract is shown is considerably lower than for other ERP countries. Unit prices, on f.a.s. basis as quoted for the individual metals are:

Comparative Metal Prices Listed for E. R. P. Availabilities
(Basis F.A.S. per Metric Ton)

	For U.K.	Other E.R.P.
Aluminum	$293.13	$330.60
Copper	479.37	479.37
Lead	347.13	363.66
Zinc	257.00	275.00*
Nickel	661.20	661.20

*France. Other commitments at various prices.

Individual availabilities and indicated allotments or actual contracted amounts up to Dec. 31, 1948, are:

Commitments and Availabilities of Canadian Metals

	Availabilities		Committed to Dec. 31, 1948	
Aluminum	Metric tons	$ millions	Metric tons	$ millions
U. Kingdom	184,000	53.9	94,000	27.6
France	6,500	2.1	4,000	1.3
Belgium ..	6,600	2.2	3,600	1.2
Netherlands	9,000	3.0	5,000	1.7
Portugal ..	100	0.1	....	...
Italy	2,000	0.7	1,000	0.3
Switzerland	6,200	2.0	3,700	1.2
Greece	130	0.1	80	...
Turkey	150	0.1	50	...
Sweden ...	8,700	2.9	3,450	1.1
W. Germany	5,500	1.8	2,500	0.8
Total	228,880	68.8	117,380	35.3
Copper				
U. K.	89,837	43.1	32,846	15.7
France			4,007	1.9
Denmark ..			381	0.5
Switzerland			1,138	0.5
Italy			181	0.1
Other ERP			1,089	0.5
Total	89,837	43.1	39,642	19.0
Lead				
U. K.	40,835	14.2	20,327	7.1
Other ERP	10,889*	4.0	.....	...
Total	51,724	18.1	20,327	7.1
Zinc				
U. K.	65,091	17.0	23,884	6.1
France			7,976	2.2
Other ERP			....	...
Total	65,091	17.0	31,860	8.3
Nickel†				
U. K.	89,937	43.1	10,073	6.7
France			1,021	0.7
Belgium .			122	0.1
Netherl'ds			36	...
Denmark ..			381	0.2
Italy			681	0.5
Switzerland			236	0.2
Australia .			101	0.1
Sweden ..			475	0.3
Denmark.			22	...
W. Germany			329	0.2
Miscel. ..			2,991	2.0
Total	31,328	20.7	16,087	10.8

*Not available until 1949.
†Figures in last two columns represent amounts producers have budgeted for shipments in last half of 1948.

Our Available Goods for ERP

(Continued from page 1)

will be available during this period.

The main items or groups as set down originally in the official "requirements" list of ERP needs is as follows:

Estimate of Canadian Commodities Available for Purchase by ERP Countries, July 1, 1948 - June 30, 1949
(Millions of Dollars)

	Total avail.	Committed	Net avail.
Bread grains	495.1	69.6†	425.5
Coarse grains	253.3	....	253.3
Fats & oils	3.5	....	3.5
Meat	102.4	28.6	73.7
Fish	29.3	....	29.3
Cheese	15.9	15.9	....
Canned milk	7.0	....	7.0
Dried milk	5.0	....	5.0
Eggs	35.3	20.8	14.5
Dried fruits	2.5	....	2.5
Pulses	5.0	....	5.0
Fresh fruits	18.4	....	18.4
Other foods	38.7	....	38.7
Tobacco	12.6	....	12.6
Nitrogen	4.8	4.8	....
Agricultural machy.	14.7	....	14.7
Coal	1.8	....	1.8
Mining equipment .	0.7	....	0.7
Timber	134.7	40.0	94.7
Iron & steel (tool steel)	5.5	....	5.5
Trucks	16.0	....	16.0
Freight cars (considerable capacity exists)			
Steel manuf. equip.	5.0	....	5.0
Timber equipment .	0.7	....	0.7
Electrical equip. ..	7.2	....	7.2
Aluminum	68.8	32.3	33.5
Copper	43.1	19.0	24.1
Hides, skins, leather	26.1	....	26.1
Lead	18.1	7.1	11.1
Newsprint	8.3	7.5	0.9
Vehicles	14.0	....	14.0
Woolens & worsteds .	12.5	....	12.5
Zinc	17.0	8.3	8.7
Machinery, n.e.s. ..	3.0	....	3.0
Other items:			
Livestock	2.5	....	2.5
Pure bred livest'.	2.5	....	2.5
Seeds	11.0	....	11.0
Seeds	11.0	....	11.0
Seed potatoes ...	4.5	....	4.5
Hay	5.5	....	5.5
Footwear (leather)	15.0	....	15.0
" (rubber)	5.0	....	5.0
Pulp	16.3	7.9	8.4
Misc. vehicles & parts	67.6	....	67.6
Ships ..... (ample productive capacity)			
Asbestos	4.0	....	4.0
Aircraft & parts .	7.7	....	7.7
Gen. manufact.	16.0	....	16.0
Rubber sole slabs	0.7	....	0.7
Rubber sundries .	1.0	....	1.0
Nickel	20.7	....	20.7
	1,606.1	264.8	1,341.1

*Refers only to 1947.

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for SOUND and ATTRACTIVE buildings.

"Perhaps industry's most common offense has been ugliness of appearance, both inside and out. Ugliness is a hangover from the 19th century, when the smoke and grime of the 'dark satanic mills' were considered to be necessary by-products of a prosperous economy. Today, management has come to realize the importance of visual tidiness and aesthetic surroundings. **It has learned that clean and attractive buildings** set in the midst of well-kept grounds **are a sound investment;** that clean and comfortable interiors, pleasant to work in, cut production costs."

Extract from "Industrial Health Bulletin," May, 1948, Department of National Health & Welfare.

Gunite and Dum Dum Masonoc were used on the above building to fulfill the management's request that the structure be sound and attractive.

For information and quotations for the reconstruction and repair of all manner of concrete structures—call our nearest branch office.

LITERATURE ON REQUEST

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Incorporated 1931

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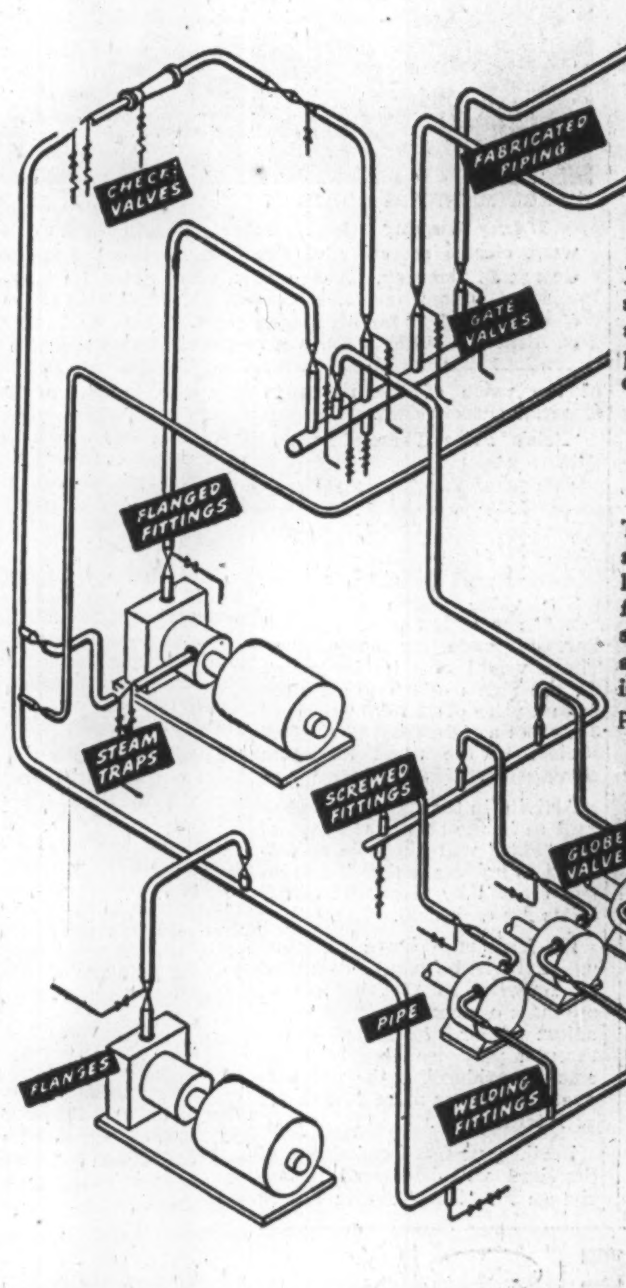
MONTREAL WINNIPEG

ONE ORDER TO CRANE . . .
Covers All Piping Materials



. . . for high pressure steam piping; for example: From boilers to turbines to process steam and condensate lines, all piping materials for this system are available from Crane. All valves and fittings, pipe, fabricated piping, and accessories can be secured . . . on one single order . . . from your Crane Branch.

ONE STANDARD OF QUALITY
ONE RESPONSIBILITY
ONE SOURCE OF SUPPLY

This diagram is but one small example of the big advantages of standardizing on Crane—the greatest line of quality piping materials. It shows how specifying and ordering can be simplified for any piping system—power, process, or heating. How Crane can assume all responsibility for materials to help you avoid installation troubles. How Crane assures uniform dependability throughout piping systems.

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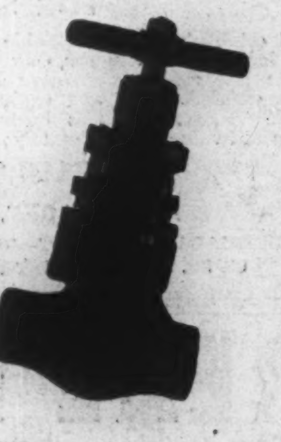

(Right) BIG VALVE DESIGN IN SMALL STEEL VALVES —*the unusual feature of these Crane 600-pound small globe valves is that nothing was sacrificed in their exceptionally compact design. They stand out for durability and easy maintenance under toughest conditions at temperatures up to 850° F. Ideal for drips and drains. Globe and angle patterns in sizes up to 2 in. See your Crane Catalogue.*

1-6112

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PLUMBING • HEATING • PUMPS
NATION-WIDE SERVICE THROUGH BRANCHES, WHOLESALERS and PLUMBING AND HEATING CONTRACTORS

PERFORMANCE
PROVED

and

GUARANTEED!

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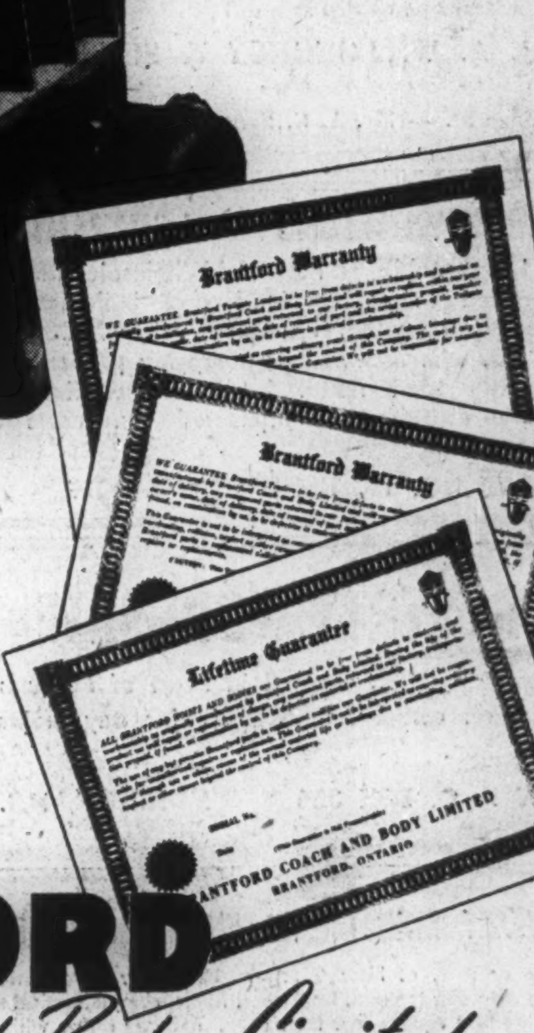

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TAILGATE LOADERS
HEAD OFFICE and FACTORIES BRANTFORD, CANADA
BRANCHES: VANCOUVER • WINDSOR • NORTH BAY • TORONTO • OTTAWA • MONTREAL • QUEBEC
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INVESTMENTS THIS WEEK

Investors Ponder Action On Imperial-Pete Proposal

A major topic of discussion in financial circles again is the big three-way oil deal involving Imperial Oil, International Petroleum and Standard Oil Co. (New Jersey). Shareholders of the first two companies received further documents relating to the deal over the week-end and are now pondering over what to do.

Immediate action is not a necessity. Imperial Oil's shareholders have until 3 p.m. Sept. 30, 1948, before their right to purchase 32/100 of a share of International Petroleum for each Imperial share held becomes void. International Petroleum's shareholders (including those Imperial shareholders who take up their "Pete" stock) have until 3 p.m. Jan. 31, 1949, before the exchange offer of three shares of Standard Oil Co. (New Jersey) for 20 "Pete" shares expires.

Imperial's shareholders have three choices for action:

1. To sell their rights to acquire "Pete."
2. To exercise the rights and buy "Pete" at $9.20 U.S. ($9.246 Canadian at the current buying rate of $1.00½) and hold the "Pete."
3. To buy "Pete" as above but exchange "Pete" for Standard.

International Petroleum's shareholders have two choices:

1. To exchange their stock for Standard Oil.
2. To continue to hold their "Pete" stock.

Currently brokers are actively engaged in dealing in "rights" and in developing trades for "Pete" shares to Standard shares which provides a cash payment to clients.

Based on an approximate net cost of $9.25 Canadian a "Pete" share, following is an indication of the value of the rights to Imperial shareholders:

"Pete's" Price	Value of Rights
$	$
16	2.11
15½	1.95
15	1.80
14½	1.64
14	1.48

The value shown above for "Pete" shares is net with no allowance made for commission. There would also be brokerage on the rights of 2 cents a right from a price of $1 to $1.99 and of 3½ cents a right from $2 to $2.99 subject to the usual minimum commission.

Activity in the rights market as well as in the shares of Imperial and "Pete" will likely be accentuated as holders realize the problem created by fractional certificates for each deal.

No fractional shares of International will be sold or delivered by Imperial so that holders of purchase warrants will have to adjust their holdings either through purchase or sale to an amount evidencing the right to purchase one or more full shares of International.

Further, no fractional shares of Standard will be issued in exchange for "Pete" shares but in this case, holders of "Pete" who would otherwise be entitled to a fractional share will receive a cash payment in lieu of the fraction at a rate based on the closing sale price for Standard in the N.Y.S.E. on date of receipt of the share certificates.

As each Imperial right will be for 32/100 of a share of "Pete," investors will have to adjust their holdings to give them 25 rights or a multiple thereof in order to obtain an even number of "Pete" shares (25 rights will permit the purchase of eight "Pete" shares).

Further, if the investor desires to switch his holdings right through to Standard Oil (New Jersey) then he would have to adjust his holdings to 125 rights or a multiple thereof. For 125 rights, he would receive 40 "Pete" shares which could be converted into six Standard shares. His other alternative would be to adjust his holdings of "Pete" shares directly by purchase or sale of these shares.

"Pete" shareholders who desire to switch to Standard will have to adjust their holdings to 20 shares or a multiple thereof by purchase or sale of shares. Dealers are expecting considerable business out of evening up of rights and shareholdings for investors.

Many investors are also considering switching from "Pete" to Standard on the market, as there has been a cash balance in their favour. For example at mid-week with Standard Oil (New Jersey) selling at $88⅜ in New York, brokers could sell it in Canada about $96¾ so that three shares would cost $290.25 but 20 shares of "Pete" could be sold at about $15 net which would raise $300 cash. This would give the investor about $9.75 cash balance on the deal.

Some holders of both Imperial and "Pete" are switching some of their "Pete" now and planning to replace it through exercising the rights obtained from their holdings of Imperial. They would then still have up to Jan. 31, 1949, to consider what to do with the balance.

• • •

Standard to Buy All "Pete" It Can

Standard Oil Co. (New Jersey) will make payment to Imperial Oil for 6,047,360 shares of "Pete" which it will purchase through exercise of its right by payment of 25% in cash and the balance by an unsecured promissory note for $41,726,784 payable in equal installments on June 1, 1949, 1950 and 1951 with interest at 2% per annum from Oct. 1, 1948, the prospectus reveals.

Standard Oil Co. has also agreed that if purchasing stockholders of Imperial default in payment of secured promissory notes given in part payment for the shares of "Pete" common, it will bid for such shares, at any sale thereof prior to Dec. 29, 1951, a price of at least $9.20 a share (U.S. funds) or in the event that Imperial re-acquires such shares, it will purchase them at Imperial's request prior to Dec. 29, 1951 at $9.20 a share.

Standard Oil Co. also presently intends to take full advantage of its opportunity to apply for International shares in addition to its original subscription under the rights to apply for additional shares, the prospectus states.

As a result, the exact number of "Pete" shares which may be purchased by Standard under the exchange offer cannot be determined but the maximum number of shares so acquired could not exceed 8,435,030, it is stated.

• • •

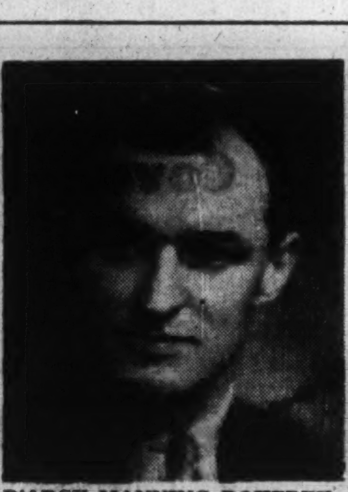
Brazilian Shows Film At Its Annual Meeting

An innovation at this year's annual meeting of Brazilian Traction Light & Power Co. was the showing of a film on Brazil and the company's operations there, prepared for the company by the Shelly Films Ltd. The meeting was adjourned immediately after opening for the showing of this interesting 35-minute colored film which gave shareholders a much better idea of the extent, size and development of Brazil and of the company's operations there.

• • •

Annual Reports

JOHN INGLIS CO. has brightened up its 1948 annual report by additional color and through pictures of products and plants. President J. E. Hahn has expanded his remarks which is helpful to shareholders.



D'ARCY MANNING DOHERTY

GEORGE L. JENNISON

D'Arcy Manning Doherty, Doherty Roadhouse & Co., was this week elected secretary of The Toronto Stock Exchange, and George L. Jennison, Bickle & Co., was elected treasurer.

R. J. Breckenridge, Breckenridge, McDonald & Co., was elected president for his second term, and A. L. A. Richardson of Dickson, Jolliffe & Co. was re-elected vice-president.

JOHN INGLIS CO. net profit for the year ended Mar. 31, 1948, was up 86.13%. Net profit does not include earnings of English Electric Co. of Canada, full control of which was only acquired on Feb. 25, 1948, by issue of 82,249 Inglis shares and payment of $105,480. This increased number of Inglis shares outstanding at Mar. 31, 1948, to 332,249 shares, on which Inglis' net profit for the full year is equal to 45.5c. a share.

"A very substantial backlog of business stands on the books of all operating divisions, including important contracts concluded here and abroad, sufficient to assure a high level of operation throughout the current fiscal year," President James E. Hahn, states. This, together with operating economies which will be progressively effected by reason of English Electric Co. of Canada having become a wholly owned subsidiary, should assure a satisfactory operation for the new fiscal year, it is said.

Management feels that scarcity of steel and other critical materials will continue at least throughout 1948, and substantial inventories are still being maintained to provide for the high level of production at which the company is operating.

INCOME ACCOUNT

Years Ended Mar. 31:	1948	1947
Net earnings	$419,516	$294,385
Add: Invest. inc.	......	5,160
Less: Deprec.:	153,201	135,019
Bond interest	70,189	21,336
Income taxes	105,000	62,000
Net profit	181,126	81,190
Less: Dividends	108,225	......
Surplus for year	42,901	81,190
Earnings per Share and Dividend Record:		
Common	†$0.60	$0.32
Paid	0.40	....

†Excludes earnings of subsidiaries (now consolidated); per share earnings based on 250,000 shs. o/s for 11 mos.

CONS. CONDENSED BALANCE SHEET

As at Mar. 31:	1948	♦1947
Cash	$8,799	$114,217
Dom. bonds	6,364	......
Accounts rec.	1,952,699	933,764
Inventories	4,299,152	2,167,842
Total curr. assets	6,267,014	3,215,823
Invest. in subsid.:		
English Elec.	......	456,589
Prod. Castings	......	250,000
Misc. assets	119,791	34,590
Tools, dies, etc.	361,433	352,062
Fixed assets*	3,070,904	1,686,829
Total assets	9,819,142	5,995,893
Due bank	1,320,974	......
Accts. etc., pay.	1,674,599	1,154,027
Income taxes	520,179	288,077
Total curr. liabs.	3,515,752	1,442,104
Funded debt	2,750,000	1,750,000
Contingency res.	......	150,000
Capital stock	2,392,402	1,500,000
Surplus♦	‡‡1,160,988	1,153,789
*After deprec. of ...	6,655,344	4,214,955

♦General.

‡‡Reflects $1,000,000 prov. for contingencies, $21,796 purchase exp. of English Electric & $59,261 share of deficit, less profits, of subs.

Working Capital	2,751,262	1,773,719

CITY OF CHATHAM, Ont. sold an issue of $200,000 3% serial debentures due Aug. 5, 1949 to 1958 to the Royal Bank of Canada and Royal Securities Corp. at $101.702 or a cost basis of 2.68%. Proceeds are for public utilities.

NEW MARLON GOLD MINES June 15 instalment of 35,000 shares at 35 cents a share and each subsequent instalment have been extended for three months.

Quebec Savings Banks' Powers To Include Mortgage Lending

A bill to amend the Quebec Savings Banks Act introduced in parliament aims at extending the powers of the Montreal City and District Savings Bank and the Quebec Savings Bank to permit them to make:

1. Personal loans without security;
2. Lend on immovable property which has been improved, in effect to make mortgage loans on improved real estate.

The banks will be limited to lending an amount not exceeding 5% of their total deposits, on either mortgage or personal loans and the maximum rate of interest chargeable is six per cent.

The limit of any mortgage loans is 60% of the appraised value of the property and each loan must be approved by the board of directors.

Personal loans are limited to $1,000 on each loan. Deposits in the Montreal City and District Savings Bank total approximately $50 millions; in the Quebec Savings Bank about $21 millions.

Heretofore these banks have been prohibited from making personal loans unless secured by high-grade collateral. Nor could they make mortgage loans. The new powers will enable them to give better service to their customers and also get a better return on their money.

Andian National Earnings Lower, 1949 Likely Up

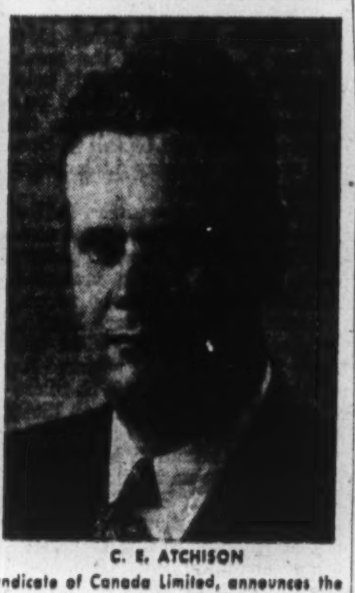
Despite higher pipeline tariffs likely to be in effect for the last quarter, 1948 earnings of Andian National Corp. are expected to be lower. Operations were curtailed somewhat earlier this year, as a result of labor disturbances.

Increase in earnings and possibly higher dividends are in prospect in 1949 if stable conditions continue. Net in 1947 was 33.3c a share. The new pipeline tariff will be negotiated with the Colombian government in October. Average flow for this year through company lines is expected to be about 36,000 bbls. daily, against 39,993 last year.

LORD NELSON HOTEL CO., Halifax, operating revenue totaled $526,049 in 1947, as against $528,920 in previous year. Net loss, after deducting operating expenses, bond and other interest, and depreciation, was $20,133 ($362 net profit in 1946). Loss was very largely caused by increased cost of food, increased civic taxes and increased cost of repairs and maintenance, President C. B. Smith states.

Company's first mortgage bonds of $600,000 matured Nov. 1, and by arrangement with bondholders were refunded by a new issue of 4% first mortgage sinking fund bonds maturing Nov. 1, 1967. Arrangements were also completed with CPR whereby interest on loan from that company was reduced from 5% to 3% and put upon an income basis. Current assets were $152,335 and liabilities $47,252 at Dec. 31.

J. K. BRUMELL



C. E. ATCHISON

Mr. T. O. Peterson, president, Investors Syndicate of Canada Limited, announces the appointment of Mr. J. K. Brumell as vice-president and Mr. C. E. Atchison as Treasurer of the Company.

FOR SALE

Large privately owned metal manufacturing business. Sole proprietor wishes to sell due to advanced age and health. Business established 57 years and has shown consistent and average profits exceeding $78,000 net annually. Not interested in Public Financing. Would require strict protective guarantees for staff and executive in the event of sale. Assets can be purchased for appraised value $216,000.

BOX 14, THE FINANCIAL POST, TORONTO.

FOR SALE

Well established and profitable metal manufacturing business located near Windsor, Ontario. This company is making staple goods for Automotive Industry and others. With proper management and capital, much larger profits are possible. Assets of this business can be purchased for appraised value, approximately

$100,000

N. S. BROOKE, MANAGER

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A SOUND BUSINESS AND WONDERFUL HOBBY

On Southern Vancouver Island, British Columbia, this model 200-acre dairy farm and milk distributing business, is equipped with modern farm and milk machinery, trucks and electrical appliances. 40 registered Jerseys some being highest producers in Canada.
The ultra modern barn, nearly new has an electrically operated hay drier and many other up-to-date features. Dairy is equipped with a new pasteurising unit, cooler, bottler and electric refrigerator. Lovely, completely modern 7-room bungalow has an automatic oil-burning heating unit and air conditioner. Three staff cottages. Completely secluded, the property provides a peaceful and picturesque setting surrounded by mountains and evergreens. One of the finest climates in North America. Owner states net profit last year 12%. A going concern for $125,000 complete.

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BOX NO. 11, THE FINANCIAL POST

APPRAISALS

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Plaza 3921
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STANDARD CLAY PRODUCTS LTD.
Montreal, Que., St. Johns, Que. or New Glasgow, N.S.

Three Services in One

British Columbia Electric Company Limited with its subsidiaries serves a territory of over 1,500 square miles in one of Canada's most rapidly developing areas.

This leading public utility Company is engaged upon an extensive program designed to extend and improve the services in its three spheres—Hydro-electricity—Transportation—Gas.

We offer as principals:

British Columbia Electric Company Limited
3¾% First Mortgage Bonds, Series "C"
Due April 1st, 1968
Denominations: $100, $500 and $1,000
Price: 99.75 and interest, to yield about 3.77%

These Bonds provide an attractive investment in a public utility company operating in one of Canada's most promising territories.

Inquiries by mail or telephone invited.

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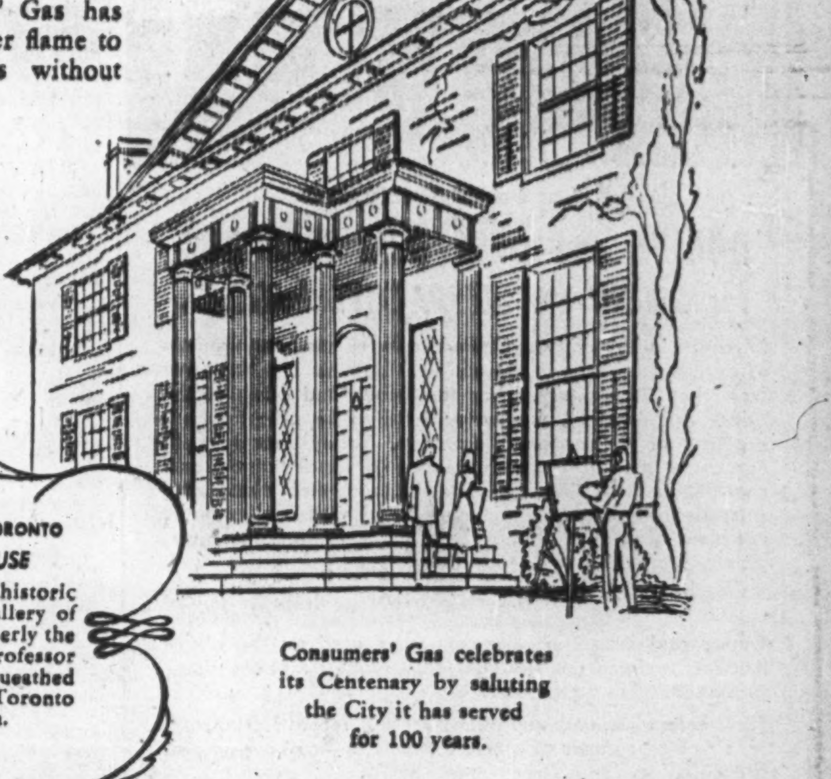
Consumers' Gas looks back with appreciation for the support the citizens of Toronto have given the Company. It views the future with confidence and determination to maintain and improve the service GAS, the modern fuel, has to offer.



UNIQUE FACTS ABOUT TORONTO
THE GRANGE HOUSE
built about 1815 is the historic nucleus of the Art Gallery of Toronto. It was formerly the residence of the late Professor Goldwin Smith who bequeathed it to the City of Toronto for an art museum.

Consumers' Gas celebrates its Centenary by saluting the City it has served for 100 years.

The Consumers' Gas
COMPANY OF TORONTO

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MS-1

A DAY'S PAY

for a day's work meets the expenses of daily living. For those who plan for the future, something more is needed. The vital part of today's wage is that which must be saved for future use.

Investment of that vital portion must be done intelligently. This can only be attained through a complete study of conditions affecting securities. Our recommendations are based on the most complete information available.

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and Corporation Securities

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Upon request we will send you suggestions as to appropriate Companies, together with the latest information about them, so that you may form a sound judgment as to their potentialities.

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109

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these Shares. The offer is made only by the Prospectus.

1,265,255 SHARES
STANDARD OIL COMPANY
(Incorporated in New Jersey)

CAPITAL STOCK
($25. Par Value)

in exchange for

INTERNATIONAL PETROLEUM COMPANY, LIMITED
COMMON STOCK
(without nominal or par value)

Standard Oil Company is offering 1,265,255 shares of its Capital Stock in exchange for Common Stock (without nominal or par value) of International Petroleum Company, Limited in the ratio of 3 shares of Capital Stock of Standard Oil Company for 20 shares of Common Stock of International Petroleum Company, Limited. The terms of the exchange offer are set forth in a Prospectus, dated June 11, 1948, copies of which are obtainable from GUARANTY TRUST COMPANY OF NEW YORK, 140 Broadway, New York 15, New York, or MONTREAL TRUST COMPANY, 61 Yonge Street, Toronto 1, Ontario, Canada, who are acting as agent and sub-agent, respectively, for the purpose of effecting the exchange.

STANDARD OIL COMPANY,
EUGENE HOLMAN, *President.*

Dated: New York, N. Y., June 18, 1948

Brazilian Expands Services Borrowing Bylaw Approved

With the exception of traction services, there continues to be increasing demand for the main services of the subsidiaries and this trend, common with all progressive utilities on this continent and in Europe, is one of the most difficult operating problems today, President Henry Borden told shareholders of Brazilian Traction, Light & Power Co. at the annual meeting this week.

"I would emphasize that this problem will continue, as far as we can see, for several years to come," Mr. Borden added.

Due to the heavy rainfall last year, reserve water storage in the reservoirs of both the Rio and Sao Paulo systems was greater than anticipated but, in spite of this temporary relief, the company's electrical systems are loaded to capacity and some rationing of electrical power may again have to be introduced before the company can catch up with demand, Mr. Borden said. The demand for telephone service also exceeds present ability to supply new installations.

In 1947 the company spent nearly $48 millions in capital construction for all services and, pending the completion of outside financing, the capital budget for 1948 has been set at $30 millions.

Borrowing Power for Directors

Shareholders approved By-law No. 30, authorizing the directors to borrow money on the credit of the company.

Although negotiations for a loan started in January, 1947, it was not until August, 1947, that the International Bank for Reconstruction and Development indicated that the guarantee of the Bank of Brazil (51% government owned and 49% publicly owned) was not enough and that it would require the guarantee of the Government of Brazil. As this would require legislation from the Brazilian Congress, it became obvious that getting the money would be delayed and so, last October, work on the construction program was slowed down, Mr. Borden explained.

The loan is for approximately $75 millions and negotiations have been completed on practically all substantial points, Mr. Borden stated. "We are now awaiting enactment of the legislation in Brazil," he added.

"Having regard to the demands on the company's services, the rising cost of material and equipment and the unprecedented demands of suppliers all over the world for the type of equipment required, the settlement of the remaining matters is a matter of great importance and urgency," Mr. Borden stated.

Growth of Business

The remarkable growth of the company's business in Brazil shows no signs of abatement and is interlinked with the growing population of the country and its general economy, Mr. Borden stated. Building construction continues at a rapid pace, he added, and in Sao Paulo alone during the first quarter of this year, 6,073 building licenses were issued, up about 27% over the same period last year.

"There is also every evidence that a concerted effort is being made by Brazil to improve its balance of trade," he added. "In Rio de Janeiro last month the Anglo-Brazilian trade agreement was signed, an agreement that cannot but help to stimulate trade between Brazil and Great Britain. We recently received in Rio, for use in our gas plant, the first of six cargoes of Yorkshire coal, the first coal we have received from Great Britain for some years."

Public utilities, such as the subsidiaries in Brazil, operate under certain concessions and they must try to provide services as demanded by their customers, Mr. Borden said. As the population increases and the country grows industrially, they are obliged to increase facilities to meet increasing demand.

Earnings, Expenses Up

Estimated aggregate net revenue for Jan. 1 to May 31, 1948, was approximately $700,000 greater than for the corresponding period in 1947, an increase of 7%, Mr. Borden stated.

Between December, 1939, and December, 1947, the cost of living for the working classes rose 231.42% and the cost of living for the middle classes 195.94%. The comparative wages of the operating companies increased 257.73% while the operating companies had been allowed to increase their tariffs by a very moderate amount. Electricity tariffs, for example, were increased by only 16.2% over 1939 tariffs.

By-law number 31 providing for an increase in the directors to 18 from 15 was approved by shareholders. Dr. Edgard E. de Souza was elected a director. Three company employees — F. M. Armstrong, G. E. Sanderson and David Smith — were elected directors for a temporary period only.

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Nine Months Profit Up 41% For Walkers

Net profit for Hiram Walker-Gooderham & Worts for the nine months ended May 31, 1948, was $21,860,652 — up $6,368,729 from corresponding period ending May 31, 1947. Earnings equal $7.57 a share ($5.37 in the earlier period).

In the quarter ending May 31, 1948, net profit was $4,370,213 ($4,746,415 in the same 1947 quarter). Operating profit was $7,343,418 ($9,256,133).

Total income for the nine-month period, including extraordinary and nonrecurring dividend of $1,081,806 received from a subsidiary now wholly owned and not consolidated, was $39,319,516 ($30,615,007 last year).

Easy Washing Sales Up 12%

Sales of Easy Washing Machine Co. are running approximately 12% ahead of last year, The Financial Post is informed, with earnings at about last year's level.

Production of washing machines has stepped up somewhat from last year in spite of raw material shortages, particularly in sheet steel. Demand, however, is still ahead of production capacity. By about July 15 the company will be marketing its new spin-dry washing machine, for which backlog of orders is said "very heavy."

The company is now manufacturing a new type Canadian floor polisher and sales outlook for the balance of the year in this line looks good, it is said. Sales of Dualock locknut division in the U. S. market have been expanding substantially this year. Since the Canadian austerity program came into effect in November, importation of irons, toasters and other small household appliances for which the company has exclusive Canadian distribution rights have been discontinued. So far no plans have been made for manufacture of these lines in Canada.

Inventory is approximately 50% higher than at the same time last year, a company official claims. This has been necessary to assure uninterrupted high level of operations and to accumulate supplies for large-scale production of company's new washing machine.

Currently employment is running around 145 in company's plant—up 25 or 30 from last year.

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Ont. Hydro Bonds Are Rapidly Sold

A new issue of $40 million of 3% bonds dated July 2, 1948 due July 2, 1964 of the Hydro-Electric Power Commission of Ontario was quickly sold last week by a large syndicate of banks and investment dealers headed by McLeod, Young, Weir & Company. Offering price was $99 to yield 3.08%.

This mid-week, the issue was quoted $99¼ bid to $99¾ asked or a slight premium over the asking price.

Proceeds of the issue are to be applied as to $4.5 millions for repayment of maturing bonds; as to $13,276,612 for repayment of maturing advances made by the Province to the Commission and as to the balance towards the cost of new construction.

Accord Nearer On St. Law'ce Plan, is Belief

Chairmen of Two Committees Urge Approval of Amended Program

MONTREAL (Staff) — In letters to shareholders last week, Ross Clarkson, chairman of the shareholders' representative committee, St. Lawrence Corp. and Joseph Mayr, chairman of the protective committee of Class A preferred stockholders of St. Lawrence Corp., recommended to their respective groups that the amended plan of St. Lawrence Corp. be approved.

Mr. Clarkson stated that his committee considered the original reorganization proposals of last November fair and equitable to all classes of shareholders. However, since further delay in reorganization would cause 'disturbing and costly controversies" between classes of shareholders, the committee felt that the new proposals constituted the most practical compromises, he added.

Mr. Mayr stated that his committee viewed the amended reorganization would cause "dis- the best terms obtainable from the point of view of the existing class A shareholders. This committee also emphasized that any plan of reorganization must receive not only the approval of the class A shareholders but that of the common shareholders as well.

Some investment men here take this latter to indicate that some opposition to the new plans might come this time from common shareholders. It is believed that some common holders might view the increased sinking fund and dividend provisions as representing too large a contribution on their part, for the sake of reorganization.

Van Alstyne interests which hold a large block of St. Lawrence Corp. common will vote in favor of the plan, it is expected.

Before the supplementary letters patent are issued, which would give effect to the new plans, the following steps must be taken:

1. Preferred and commmon shareholders of St. Lawrence Corp. and Paper Mills must approve the plans at special meetings July 7 and 8.

2. The plans and the report on the shareholder vote must be presented to the court.

3. The court may either (a) approve the plan (b) give notice when it will hear arguments on behalf of dissenting shareholders.

When the original St. Lawrence plan was submitted, it was first approved by the court but was subsequently voided when a second court order ruled in favor of the dissenting shareholders.

Dryden Paper Earnings Up

MONTREAL (Staff) — Earnings of Dryden Paper Co. for the six months ended March 31, 1948, are reported at $505,743 after all bond and bank interest charges and taxes. This is at the annual rate of $4.15 per share after normal depreciation and compares with earnings last year of $2.64 per year over the full year.

Dryden has also advised that the directors have accepted a subscription for 10,000 shares of unissued common stock at a price of $25 per share. A subscription for 20,000 shares was accepted in February of this year at the same price. Managing Director E. L. Goodall also has an option to purchase 10,000 shares of unissued common stock at $19 per share. As in the earlier subscription, it is stated that the offer accepted by the board at this week's meeting was received from a company which is now at present a shareholder of Dryden Paper Co. and in which none of the directors has any interest. Proceeds of the sale of the shares will be used by Dryden to pay off a bank loan in whole or in part and for other corporate purposes.

As at Sept. 30, 1947, there were 150,000 shares of common stock issued and outstanding out of a total authorized issue of 300,000 shares. The sale of 30,000 shares at $25 per share would bring the total issued shares to 180,000.

At the last meeting of board of directors a dividend of 25c per share was declared. It was thought advisable by the board at this time to maintain the present rate of dividends until the financial position of the company at the close of the fiscal year had been determined.

'Cat Cracker' Will Increase Imper'l Output

MONTREAL (Staff) — Rising 192 ft., Canada's first fluid catalytic cracking plant at Imperial Oil's Montreal East refinery got its first workout last week.

Part of a $20-million construction program, the "cat cracker" along with a light ends recovery plant, distillation unit and a catalytic polymerization ("cat poly") plant, will boost Imperial crude oil running capacity by 13,200 barrels a day. This will make average daily crude running capacity more than 37,000 barrels at the Montreal refinery.

The four new units will play some part in the production of each of the 143 petroleum products which Imperial produces at this plant.

The new crude distillation unit has the primary job of separating the crude oil into gasoline, kerosene, heating and Diesel fuels, gas, oil and reduced crude.

In the cat cracker the gas oil is fed in from the distillation plant and is separated into high octane gasoline and heating oil.

Imperial's "cat cracker" which started testing last week uses a new technique developed by Standard Oil Development Co. This type is known as the fluid catalytic cracker as opposed to the older type thermal cracking unit.

There are 270 miles of pipe on the refinery property and the 200-odd storage tanks provide storage facilities for more than five million barrels of petroleum products. The refinery will process 1,540 barrels or more than 54,000 gallons of crude oil an hour.

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who has joined Harrison & Company Limited as Manager of the Wholesale Department. Mr. Mitchell has been in the investment business for over twenty years having been the head of his own firm for over twelve years in London, Ontario.

*

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announces the election of
Charles L. Gundy
as President
of
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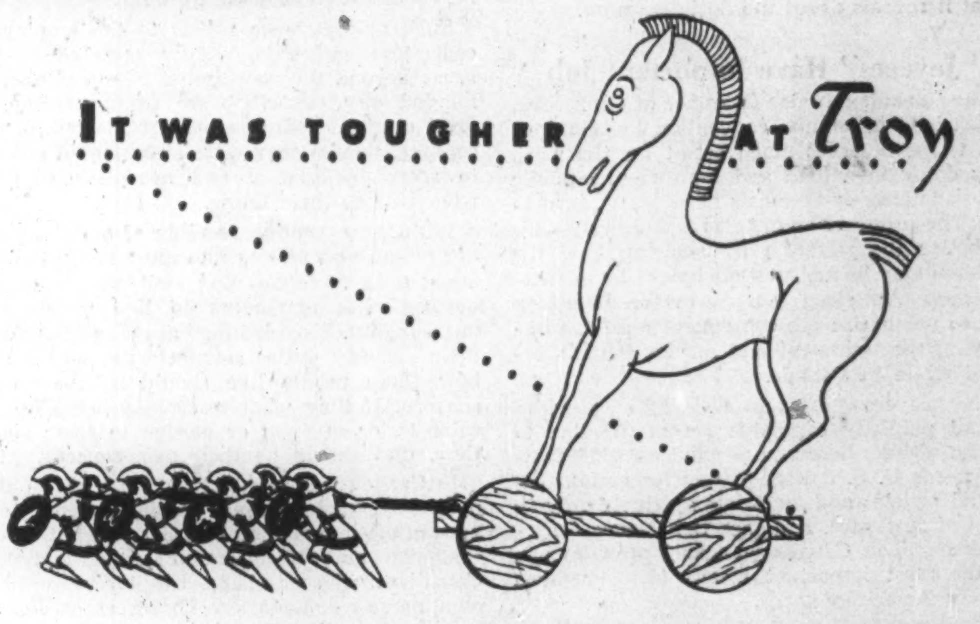
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The Editorial Page

Must Act to Hold U. S. Market

The Dominion Government was well advised to disregard political pressure to have the beef embargo lifted during the election campaign in Saskatchewan. In that major farm province such a move might have helped the fortunes of the Liberal Party; throughout the country generally, however, it would have been rightly resented as a political bribe.

But with the Saskatchewan election over, Ottawa should give immediate consideration to removing this ban on cattle and meat exports to the United States. Every day we refuse to open this natural and highly profitable outlet, we risk Washington closing the doors against us, for there is still considerable American opinion opposed to any competition from Canada.

For years before the war we tried by every means possible to get our cattle and meat into the United States. Now, in the Geneva Agreements, having secured the best tariff terms in 25 years we are making no use of them whatsoever and thereby are sacrificing an important and new source of many million American dollars.

True, removal of the Canadian embargo on meat and beef cattle shipments to the United States will send meat prices higher in Canada, because the U. S. level is substantially above ours, even allowing for the difference in duty. Inevitably, however, price levels in both countries for meat and everything else must come into line, as was the case prior to imposition of price controls here early in the war. With any sharp difference in levels we would have on this continent the same impossible situation as exists in so much of Europe. There, armies of bureaucrats are trying to enforce all sorts of export, import and other controls; larger armies of black market operators are trying to evade them.

Even during the war, when the vast majority of citizens were willing to make every sacrifice and put up with all sorts of regimentation, the system of rigidly separated economies did not work well. No sane person expects that we could ever hope to keep our economy permanently segregated from that of the United States.

Timing of the embargo removal is vital. There are going to be enough economic difficulties without political complications being added. We had an example of that sort of thing when the ceilings were removed from coarse grains last fall. Those who happened to sell their crop before that move lost millions of dollars. Those who were lucky enough not to have sold, made extra millions.

Ideally the time to make the shift would be at the end of the marketing season or when beef prices in both countries were on the same level. Unfortunately, however, beef is marketed and eaten the year round and there seems little likelihood of price levels coming together naturally. Some sort of a compromise, therefore, will have to be worked out with the ban coming off in advance of the annual rush of cattle in the fall and while other sources of substitute foods are ample.

Higher meat prices will certainly not be welcomed by city consumers, who are already having difficulty in meeting record costs for their food. But there is one certain consolation. Government control, as Prof. J. E. Lattimer pointed out at the annual meeting of the Agricultural Institute of Canada this week, does not increase production. It is increased production that we must have if prices are ever going to ease. Higher prices, because they stimulate production, invariably hasten their own cure.

No Press Conspiracy

Tommy Douglas, Saskatchewan's CCF leader, put himself far out on a limb a few days before the provincial election when he charged that the newspapers of Canada had entered into a conspiracy of silence and misrepresentation and drawn an iron curtain around the activities of his government.

The truth of the matter is that few provincial governments have had as much space devoted to them and their actions in the press as the CCF in Saskatchewan.

The trouble with Mr. Douglas is that he only wants to see in print news stories which he dictates, stories which are slanted in his favor. If he sees a story he doesn't like, he regards it as misrepresentation. If he doesn't see one of his handouts in print, he claims the press is conspiring against him by its silence. You either agree with Douglas or you don't know what you're talking about. That's apparently his point of view.

Comment and criticism are regarded as vindictive bile against the omniscience of the party leader.

It isn't just that these naive and little-experienced people are excessively thin-skinned.

This confusion of propaganda with fact, this animosity against comment, this impatience with varying views, this desire to have only one side of the story put before the public are characteristic of socialists everywhere.

It is a characteristic of the totalitarian mentality whether in Russia or Germany or anywhere else. It is a characteristic well illustrated by the British Socialists who are constantly raising their voices in similar lamentations and going as far as they think they can get away with in harassing those who believe that a fundamental of democracy is free speech; that a fundamental of good government is candid comment about its activities.

The Douglas squawk is interesting only for what it reveals about the Socialist mind.

"Jaycees" Have Important Job

The Canadian Junior Chamber of Commerce, which held its annual convention in Winnipeg last week, deserves much credit for the work it is doing to extend and improve the public understanding of Canada's need for U. S. dollars. The organization has also taken direct steps to better the situation by showing how the problem may be met to some extent by attracting more American tourists to the Dominion and to emphasize the consequent need for improving the treatment and service tourists receive while in Canada.

The "Jaycees" are also carrying on a widespread publicity campaign across the line to attract visitors here and to point out that Canada needs U. S. dollars to pay for certain essential articles and materials available only in the United States, and that the money Americans spend in Canada on travel provides one of the most important means for Canadians to buy American goods.

Besides promoting a greater flow of U. S. dollars into Canada, the "Jaycees" are also making every effort to see that these dollars are promptly exchanged at banks for Canadian currency so that the U. S. funds can be credited to the account of the Foreign Exchange Control Board and thus be made available for the needs of the country as a whole.

This educational task undertaken by Canada's Junior Chambers of Commerce is an assignment of national importance. These young men have moved into a field of action ideally suited to them. It presents a challenge to solve a most difficult problem. It lends itself to the imagination and initiative characteristic of the young business men of this country.

Strikes Are Losing Their Appeal

A recent survey made in the United States to determine what labor thinks of the American democratic enterprise system shows that the great majority of workers across the line have a strong faith in the value and validity of the economic order they live by.

Results of this survey, as reported in United Nations World, show a highly encouraging tendency on the part of labor to be optimistic about present working conditions and future prospects. On the whole, they look for the end of the present inflationary spiral in 1950 but do not expect a subsequent period of deflation would be marked heavily by drastic wage cuts, unemployment and hard times in general.

Nearly 70% of all U. S. jobholders, union and nonunion, feel their present job pays them enough to give them a reasonably comfortable living by typical American standards. The fact of over-all significance which emerges from the survey, says United Nations World, is that:

> "American workers do not share the view that the U. S. economy will soon crumble from inherent infirmities. They do not go to their jobs in an atmosphere of personal insecurity and worriment (96% don't expect to lose their own jobs or otherwise to be adversely affected by the advent of deflation). They do not get up every morning anticipating a crash on the 1929 model. They do not, in short, expect economic disaster. Otherwise, they would be less willing to help America with its two major exports: (1) a modest but noticeable portion of the fruits of her democratic free enterprise system; and (2) faith in the workability of that system."

Seventy-three per cent do not expect to be called out on strike this year; 17% aren't sure; 10% feel they will. This trend is corroborated by a special report in United States News which states that strikes are losing their appeal as an instrument to gain higher wages; that unions are realizing to a greater extent the benefits to be reaped by settling labor disputes without striking. The high cost of strikes (nearly $2 billions in the U. S. in the past three years) is having a strong effect on both labor leaders and management in solving disputes by other methods.

Such trends and statistics will be studied with interest and benefit by Canadian labor and management officials. If Canada's productive capacity and prosperity is to be maintained, constant progress in the field of improved relations between employees and employers must be made.

Let's Tear Down These Barriers

During the war many Canadian cities suspended or eased regulations requiring all civic employees, including teachers, to live within the municipality. Now there is some indication of these restrictions being revived. It is to be hoped the attempt doesn't get far.

Such rulings were unfair to the employees concerned and were rightly resented in the areas beyond the city limits. In effect narrow minded city councils were simply trying to erect economic barriers against the rest of the country, though they were always glad enough to accept population and necessary supplies from outside their limits.

With the exception possibly of certain types of firemen and police, who must be on call 24 hours a day, there is no sound reason for requiring civic employees to live within the municipality. Provided they are able to perform their business duties satisfactorily, where and how these people live should be their own concern. If they want to have a home in the suburbs, or to farm or garden in their spare time, that should be their own concern.

In Canada we have had far too much of this municipal, regional and provincial exclusiveness, of attempts to erect barriers against fellow Canadians and the goods and services of fellow Canadians, who may happen to live beyond our own narrow boundaries. That sort of foolish pettishness will never allow us to build a united Canada. It should be stamped out thoroughly wherever it appears.

Employees Do Their Share

Recent figures indicate the high degree of responsibility being assumed by employees as a group in responding to fund-raising campaigns of social welfare agencies. The Salvation Army appeal for $350,000 in the Greater Toronto area so far has fallen short of its objective by $135,000. But it is significant that $65,000 of the $215,000 raised was contributed through the employees' welfare service fund.

This is a plan through which 50,000 factory and office workers in 300 Toronto firms give each week the equivalent of what they earn in 15 minutes. The subscribers to this plan represent about 5% of the population appealed to, yet in this campaign they contributed about one-third of the total collected. In many cases, firms matched their employees' contribution.

Costs for services provided by welfare organizations are increasing. On the other hand, fund raising is becoming more difficult; contributions are harder to get and so are volunteer canvassers. "Special names" lists, usually expected to produce the cream of any campaign, are not the gold mines they used to be, though still an important source of funds.

Most people agree that social welfare work is more effective in the hands of private agencies, rather than under direct government control. Further emphasis of the employees' welfare service fund idea, with donations equalled by management, should give needed strength and support to the efforts of these agencies.

Napier Moore's

Scratch Pad

LAST WEEK, Chamber of Commerce and Board of Trade secretaries from all over Canada went back to school. At McMaster University in Hamilton they took a six-day course in a variety of subjects pertaining to their work, listened to 40 lectures, had round table discussions and wrote examinations.

Freshmen (there was a similar course last year) wore brilliantly striped skull-caps topped by propellers which revolved in the breeze.

Best laugh of the week came at an executive session when an official of the Canadian Chamber of Commerce reported one result of a bulletin the central body sent out to secretaries throughout the country. The letter conveyed suggestions as to how chamber meetings should be conducted. Included in the advice was, "If required, make sure you have a quorum before starting the meeting." This moved one secretary to instant action. He wrote back, "Please send me a quorum."

• • •

ONE OF THE LECTURERS at the above-mentioned course was William M. Gray, Industrial Commissioner of Chatham, Ont., whose main interest in life is to demonstrate that Chatham is THE place in which to establish an industry. Mr. Gray travels a great deal, but hotel accommodation rarely bothers him. He moves around in a land yacht. Call it a trailer, and a pained expression comes over his otherwise genial countenance.

Actually, this mobile home is more like the cabin of a large yacht than anything we have yet seen on land. And it's roomier. Beds become settees, tables disappear. There's a cooking stove, a refrigerator, a heating system, a sink, a washroom, cupboards filled with dishes, electric light — even a telephone which can be connected up.

The land yacht is Gray's hobby. He designed it himself. Parts of it were built in several cities. As many as 12 people have dined on board. The highway cruiser's bow fits into the stern of the specially designed truck which tows it. It's really a detachable, coupe-sedan sort of truck. There's a cross-wise seat behind the driver which accommodates five people.

• • •

A CONVERSATION WE HAD with Charles A. G. Matthews got round to the number of heads of Canadian businesses whose success has sprung from long hours and many years spent in shop and factory. Together we listed many who, before they reached their 'teens, had to leave public school and take a job so that an extra dollar or two might help the family.

Recalling his own boyhood, Mr. Matthews dug out the indenture he signed in 1905 when he became apprenticed to H. P. Moore, then proprietor of the Acton Free Press.

Under the agreement, beautifully handwritten by the employer, young Charles promised faithful, obedient and willing service to those in authority over him. He promised to be at the office during summer months before the 7 a.m. bell, and in the colder months to be there at 6.30 to have steam up and the office warm by 7. He was to work every Wednesday night, when the paper went to press, and any other night when necessary. He solemnly swore not to use tobacco in any form or intoxicating liquors, either in or out of the office. He was to "act the part of a gentleman wherever he might be." He undertook to exercise all possible care to preserve from damage all type, machinery, paper or other materials, to pick up all type, rules, leads, etc., he might find on the floor; keep the office, desks, counter, floors, windows and walls clean and tidy; keep the presses, engine and boiler room clean.

In return, he was to be taught the Art of Printing and be paid $1.50 per week the first year, the wage to be increased by $1 per week each year during the apprenticeship of four years.

Both parties carried out the agreement to the letter.

Today, C. A. G. Matthews is president of Sampson Matthews, Ltd., one of Canada's foremost producers of creative advertising.

• • •

CANADIAN GROCER SAYS that everyone has been pleased to note from the budget speech of the Finance Minister that the sales tax has been removed from yogurt; adds that "This should certainly be a boon to both retailers and consumers!" Just in case there might be a reader who wouldn't know what yogurt is, Grocer delved into the matter and came up with the information that yogurt, or yoghoort, is the Turkish name of a fermented milk of sows, goats, or other ruminants, widely consumed in the Balkans. Since then we have been trying to find out what percentage of the Canadian electorate consumes yogurt. So far we haven't succeeded. But we shall persevere. What has yogurt (or yoghoort) got that margarine hasn't?

• • •

THOUGHT FOR TODAY: Today's profits are yesterday's good will, ripened.

Stop Me If —

A wisp of a man bought a ferocious tiger at an auction, outbidding several prominent circus people. "What are you planning to do with that man-eating beast?" he was asked by a wild animal trainer. "Going into competition with us?"

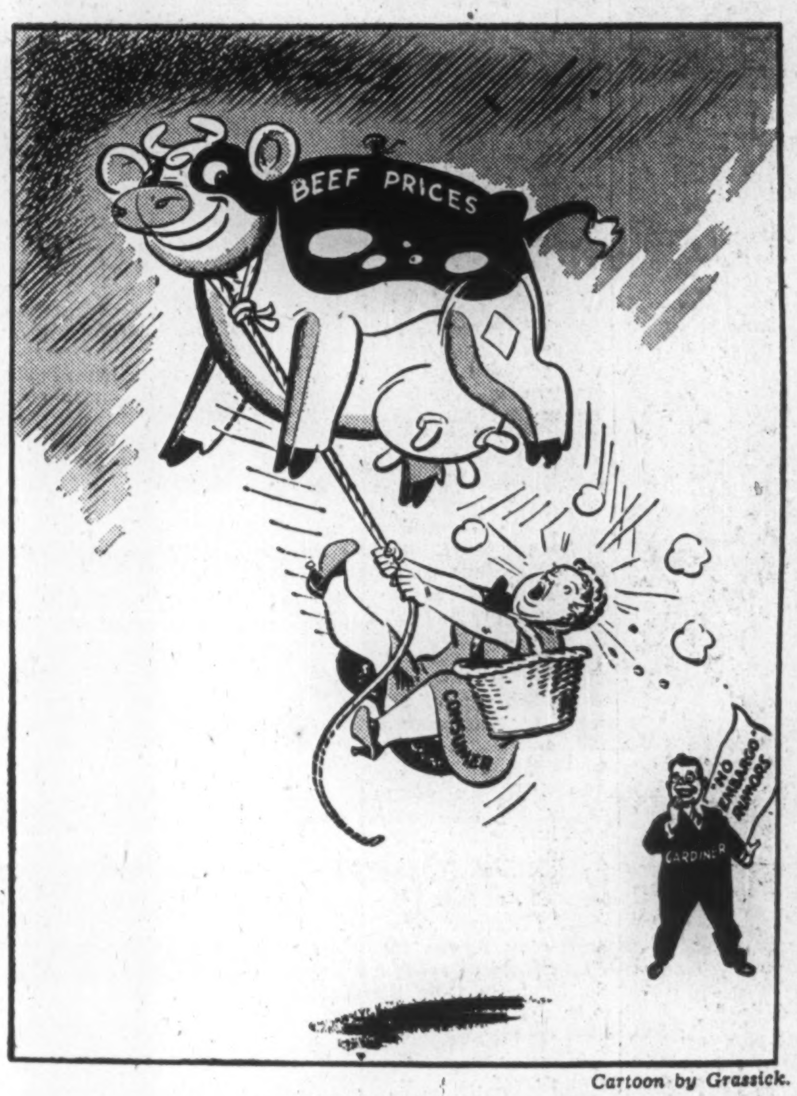
"Oh, no," replied the little man, "not at all. It's only that my poor wife died last week and I'm lonely."

• • •

Billy: "I stood on a lady's foot and apologized, and she gave me a sixpence for being a polite boy."

Uncle: "Good boy! Then what did you do?"

Billy: "I stood on it again and only got a clump on the ear."



Cartoon by Grassick.

HOW HIGH IS UP?

Post Scripts

Bishop's Principal

Arthur Russell Jewitt, new principal of Bishop's University at Lennoxville, Que., succeeding the late Dr. A. H. McGreer, brings a broad experience of teaching and university training to his new post. And he is a man who knows Canada well.

DR. JEWITT

Dr. Jewitt, head of the English department at University of Western Ontario since 1946, was born in Surrey, England, 44 years ago. He came to Canada with his family at an early age and went to public school in Calgary, where his father was secretary-treasurer of the school board, and to high school at Ottawa Collegiate Institute.

After graduating from Dalhousie, he took his master's degree at Corpus Christi, Oxford, where he was a Nova Scotia Rhodes Scholar. Jewitt was associate English professor at Dalhousie and King's universities between 1931 and 1946, with time out in 1936 to take his Ph.D. at Cornell. He has published articles and reviews covering a wide range. His current research project is dialects of Britain's West-Midland area in the 13th century.

He is a member of the Church of England. He was married in 1931 to Elva Creelman of Truro, N.S.

• • •

Wine Institute Head

Alexander G. Sampson, president of the Canadian Wine Institute, in 48 years has held executive positions in three widely separated and highly specialized fields — the hotel, newspaper and wine businesses.

—Photo by Karsh.
MR. SAMPSON

As president and general manager of Chateau-Gai Wines, Ltd., Sampson has spent the past 12 years at the head of one of Canada's largest wine-producing companies.

Born in L'Ardoine, Cape Breton, he was educated at St. Mary's College, Halifax, Sacred Heart College, Bathurst, N.B., and holds the honorary degree of Doctor of Social Science, University of the Sacred Heart. From 1924 to 1930 he was managing director of the Queen Hotel, Halifax, and later joined the staff of the Halifax Chronicle, where he became advertising manager.

Widely known in Canadian newspaper circles, Sampson served for many years as a member of The Canadian Press and a director of the Canadian Daily Newspapers Association.

Joining Canadian Wineries, Ltd., in 1932, he supervised the reorganization of that company and became its head prior to the change of name to Chateau-Gai Wines, Ltd., in 1941. He helped to pioneer the Canadian Wine Institute, an organization composed of 95% of Canada's wineries to promote higher standards of production within the industry, and is now serving his second term as president.

He is a Liberal in politics, a member of the Granite Club, Summit Golf Club, Montreal Reform Club, Club Canadien de Montreal, Canadian Club, Liberal Businessmen's Club, Toronto Board of Trade and Canadian Chamber of Commerce in Toronto and St. Catharines.

Sampson speaks French fluently and is a keen student of the English classics. He has had a lifelong interest in outdoor sports, and is an ardent mentor to members of the various teams at St. Michael's College, Toronto.

A few years ago he left the city for a country home at Oak Ridges, Ont. A bachelor, he enjoys traveling and counts golf and amateur photography as his chief hobbies.

• • •

Heads Purchasing Agents

Geo. A. Davis, new president of the Purchasing Agents Association of Toronto, began his career at a machinist's lathe and is now president and purchasing agent of Plate and Structural Steel Sales Ltd. of Toronto, and its subsidiary, Plate and Structural Steel Co.

MR. DAVIS

Davis and two partners formed the original company in 1932; he served as office manager and purchasing agent. Last year, he bought all the shares in the company and reorganized into the present set-up.

Born in Toronto in 1912, he attended University of Toronto Schools, and before going into business for himself worked as machinist, coremaker and engineer with Canadian Rumley Co. Ltd., Toronto.

He has been a member of the Purchasing Agents Association of Toronto since 1937, a director for four years, and vice-president for two.

Davis is married and has two children, a son 11, and a nine-year-old daughter. He is active in the Boy Scouts organization; his hobbies are music and boating.

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N. B. Chief Justice

New Brunswick's new Supreme Court Chief Justice is one of that legion of successful Canadians who started out as a schoolteacher.

MR. RICHARDS

His Lordship Charles Dow Richards, B.A., K.C., LL.D., recently sworn into New Brunswick's highest judiciary post, began teaching in the province's public schools in 1897, and from 1906 to 1919 was principal of the Woodstock grammar school. After being admitted to the bar he lectured on contracts at the University of New Brunswick from 1915 until 1933 when he was appointed to the bench.

He was first admitted to the New Brunswick bar as attorney in 1911 and as barrister in 1912. For a year he was associated with the late Oswald Crockett who later became Justice of the Supreme Court of Canada.

His political career began in 1920 when he was elected to the Provincial Legislature for York County. He was re-elected in 1925, when he was appointed Minister of Lands and Mines in the Government of Hon. J. B. M. Baxter, whom he now succeeds as Chief Justice. Re-elected again in 1930, he took over the premiership and the portfolio of Attorney-General. In 1933 he resigned to become a member of the King's Bench division of the New Brunswick Supreme Court.

Born in 1879 at Southampton, N.B., he was educated at Provincial Normal School, Fredericton, and University of New Brunswick. He read law with Col. D. McLeod Vince at Woodstock, N.B. In 1928 the university conferred an honorary LL.D. on him; he has been a member of the University Senate since 1930.

Chief Justice Richards is married and has one daughter. He is a member of the City and Golf Club of Fredericton and the Union Club of Saint John.

What Others Are Saying

Editorial of the Week

Why Should Miss Giga Lie?

Vancouver Sun

If it is true, as Lillian Giga told reporters at Halifax, that she had to lie to get to Canada, then there ought to be some re-examination in Ottawa of the approach to the bringing to this country of new immigrants.

Miss Giga studied commerce in Riga for two years, she said. That is, she took what in Canada we would call a business course. But, she says, the Canadian immigration people would not have accepted her had she confessed her skill. She came over here as a domestic. Her conclusion is that women who want to come to Canada must not appear "too intelligent" or they haven't a chance to get through the barrier. But Australia will take them, she adds.

It seems that a number of the Polish girls who came out to work in Mr. Ludger Dionne's textile mill in Quebec must have lied, too. For they no longer work there; they have taken better jobs elsewhere. But if there were jobs to be had, why should they not take them? If there is a job as a business girl going vacant somewhere, why should Miss Giga not have it?

One thing immigrants should not expect is that they can fall into a niche ready-made. Some are lucky, others have to adapt themselves to the unaccustomed. They should be told quite frankly that the emphasis of Canada's need is for certain types of workers, and that if they desire anything better they must take their chances. But for the Government to lay down a policy that only the unskilled may come in is foolish. Canada needs skills. The more skilled workers we can get the better. The more intelligence we can acquire the better. The skilled worker is often the intelligent one, the one who has ambition and knack to better himself.

Other People's Views

ALL DECENT CANADIANS are anxious for reasonable supervision that will keep suggestive magazines out of their children's hands, says the **Vancouver Province.** "But they shudder at the thought of a bureaucratic monster that eventually might try to censor and supervise everybody's reading habits. Justice Minister Ilsley has told the House of Commons that the Criminal Code may be amended to prevent publication of crime comic books in Canada. If it means establishment of another stiff-necked government bureau exercising dictatorial powers over comic magazines, good or bad, we don't think Canadians want it. We have enough unchallengeable government bureaux now.

ALL THE WEALTH produced by all the farmers in Canada in 1947, one of the best years they ever had, is not sufficient to pay for the cost of operating the Canadian Government, says **Farm and Ranch Review.**

"In the next fiscal year, the Dominion Government will spend $2,175 millions. That, curiously enough, is about equal to the entire income of all the farmers in Canada for 1947. The cash value from the sale of all farm products in 1947 was $2,002 millions. We have fought a war. Wars have to be paid for. We have to pay for this one. Hence there is no particular point in hearkening back to the prewar level of government taxation. But if the cyclical budget system is to work an attack must be made upon government spending, particularly upon a vastly over-expanded government payroll."

HANSARD IS UNKNOWN to 65% of Canadians, according to a recent Gallup poll. "Only a third of the electors knew the answer accurately," comments the **Ottawa Citizen,** "and among them farmers, elderly folk and Progressive Conservatives led. Lachrymosely to relate, one third of the university-educated voters were nonplussed. Some thought Parliament's official record was a musical instrument, others a new religion, a few surmised it was a cabinet minister's name, and others were convinced it related to the black market."

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The Provincial Roundup

British Columbia

Sales Tax Start Near: Next week might see the province's most controversial levy, the 3% sales tax, in operation. That was the interpretation which most observers read into the announcement of Welfare Minister George S. Pearson, that social allowances and mothers' allowances would be increased 15%, effective July 1.

The increase was estimated to cost between $500,000 and $600,000 yearly; to benefit 12,000 or more recipients of social allowances, and some 3,000 mothers. Under the new rates the maximum which one person may receive will be $35 a month compared with $30 previously. The rate for a man and wife or a parent and child is increased from $42.50 to $50. For a family unit of five the new rate is $75.50 compared with $65.

Phone Rates Up?: Vancouver and New Westminster faced the prospect of higher telephone bills, if a B. C. Telephone Co. proposal to eliminate the existing intercity toll charge system, got the green light. A special committee of Vancouver City Council, was discussing with councils of Burnaby and the Royal City; the company's offer to abolish the tolls, and to increase monthly rental charges by way of compensating itself.

Vancouver aldermen generally were cool toward the plan.

"It will be all against the larger city," Ald. Charles Thompson.

"The small subscriber will pay for it," felt Ald. Alex Fisher.

Ald. J. D. Cornett pointed out that many business firms make between 50 and 100 calls a day between the two cities, but that the average Vancouver citizen doesn't phone New Westminster more than once a week.

• • •

Alberta

Vote in August?: Premier E. C. Manning still nursed the election secret close to his bosom; but nominating conventions hinted that it wouldn't be long. Social Crediters of Acadia-Coronation (represented by Municipal Affairs Minister C. E. Gerhart) met Wednesday of this week; those of Cardstone (Lands and Mines N. E. Tanner) the following day; Okotoks-High River (Education Minister Ivan Casey) was to hold its convention next week. General expectation was that an election date (possibly early in August) might be announced soon after this week's Saskatchewan vote. Liberals and CCF-ers were also busy patching their political fences; Progressive Conservatives said they would stay out of the provincial field, but were organizing in preparation for the next federal campaign.

Start Hospitalization Plan: Friday of next week (July 2) was set as the starting date for operation of Blue Cross plan for prepaid hospitalization in Edmonton and Calgary. Rates under the scheme are $1 per single man per month, $2 per family per month, regardless of the number in the family.

Approximately 70,000 are expected to enroll during the first weeks the scheme is in operation. Subscribers will receive operating room service, anaesthesia equipment and material, X-ray examinations, up to a maximum of $35 for each unrelated illness; special drugs and medication up to the value of $10; electrocardiagram films, intravenous and intestinal treatments; metabolism tests and laboratory service. Maternity care benefits are available after 10 months' membership.

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Saskatchewan

Socialism on Trial: This was Socialism's testing hour, in Saskatchewan. In urban Regina, and on the most solitary prairies, voters thronged to the polls on Thursday, to record their verdict on the four-year record of Premier T. C. Douglas' CCF administration. The CCF, Liberal Leader Walter Tucker charged, "has waged the dirtiest smear campaign in Saskatchewan history . . . In a country like ours, it is impossible to sell Socialism. Realizing this, the CCF has employed the established Marxian tactic of arousing class hatred." The CCF, while standing to gain from the multiplicity of Social Credit candidates in the field, was handicapped in some areas by pledged Communist support. Communists were running only one candidate, in Pelly. Said Labor Progressive leader Nelson Clarke: "We do not agree with the CCF for what they have done, but we are supporting them because they seem to be able to serve the people best, in this particular situation." Clarke grieved however, that the CCF had not seen fit to leave the Communist candidate a clear field in Pelly.

There was discord also in Social Credit ranks. Leonard F. Kurtenback, nominated by that party in Prince Albert, withdrew from the campaign, and asked voters to unite behind one anti-Socialist candidate. The sequel: Kurtenback was suspended from SC membership.

Some of Jehovah's Witnesses — "only a small number," sect officials said — voted this week, for the first time in Saskatchewan history. Hitherto they had refrained, from religious scruples against recognizing civil authority.

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Manitoba

Continue Coalition: Progressive Conservatives were strong — although not unanimous — for continuation of the provincial Coalition Government. A vote at the annual Association convention showed 180 in favor of Coalition, some 30 against, and approximately 75 refraining from voting. The majority argued without coalition, there would be serious danger of a Socialist victory in the next provincial election. "A negative reason, not worth a dime" retorted G. S. Thorvaldson, MPP, of Winnipeg. "If that is the only reason advanced in favor of coalition, it is too weak to merit notice." John A. McDowell of Iberville was another anti-coalition MPP.

New 'Peg Post Office: Winnipeg's new $3 million post office was a step nearer reality today, as Ottawa expropriated an entire downtown block of property — bounded by Graham Ave., Smith St., St. Mary's Ave. and Garry St. — as a site; approximate area 500 ft. by 260 ft. The Government planned to negotiate with property owners, on the purchase price; but if this failed, settlement would be made in the Exchequer Court of Canada. Residents of 20 homes and rooming houses, and tenants of 22 apartment sites, will be forced to vacate.

Businesses in the block include: a filling station, tool company, two grocery stores, one barber shop, a leathercraft shop, an art company, and a jeweler. Full value of the lands and buildings total $210,020, based on the civic assessment rolls — $111,470 for the land; $108,550 for the buildings. However, the government settlement price was expected to be considerably larger.

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Ontario

Hepburn Still in Ring: The Hepburns, a fighting race, might be down, but they were seldom out. This week James deCongalton Hepburn, Speaker of the last legislature, was still battling for his Prince Edward-Lennox seat. First returns in the provincial election two weeks ago, gave the seat to Donald Baxter, Liberal, by 51 votes; but Hepburn laid charges of irregularities by returning officers, and a recount of ballots was to open Friday before Judge W. S. Lane, in Picton.

Ask Hospital Aid: Toronto planned to ask the province to share its hospital deficits. Recent increases in rates for indigent patients (ranging from $2.25 to $3 a day) will cost the city an additional $110,000 for the balance of this year, on top of an accumulated deficit of $1.3 millions for 1946 and 1947, officials estimated. No funds are provided in the civic budget for this sum, Welfare Commissioner Rupert reported to Board of Control.

"We'll have to get it somewhere" said Mayor H. E. McCallum. One suggestion as to the "somewhere": An agreement which would permit the city to levy business tax on the CPR's swank Royal York Hotel.

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Quebec

Dictatorship Looms?: Citizens of Quebec, Canada's oldest province, "do not want to be parked in a reserve," Liberal Leader Adelard Godbout told his l'Islet constituents, denouncing Premier Maurice Duplessis' policy of "parochial isolationism." He warned that the Union Nationale administration, if given another five-year term, "will become a dictatorship of the same calibre as Hitler's in Germany and Stalin's in Russia." Godbout insisted there is no Communist menace in Quebec: "If your sons in factories ask for their rights, they are called Communists"; charged abuse of liquor laws: "Operators of dens selling drinks day and night, Sunday as on weekdays, buy their peace with payments of $2,000 to $10,000 to election funds."

Property Value Up: Montreal's new taxable and exempt property now totals $1,327,178,000, an increase of $32,765,000 in the last year, the assessors' department reported to the city Executive Committee. Taxable property now totals $978 millions ($944 millions in 1946-47), and exempt property $348 millions ($349 millions). The city's population is set at 1,122,295; area 32,254 acres—a per capita area of 1,251 square feet, density of population 34.79 persons per acre; per capita real estate valuation $1,182. Number of electors listed in 263,297, an increase of 6,030.

• • •

Nova Scotia

New Ferry Docks: Faster and more convenient highway travel to and from Northern Cape Breton was in sight, with awarding of a contract by the Public Works Department for construction of new ferry docks for the Big Bras d'Or and Englishtown ferry services in Victoria county, to T. C. Gorman (Nova Scotia) Ltd. The new docks will permit use of double-end ferryboats.

On the Big Bras d'Or route, new docks will be built at both the New Campbellton and Jersey Cove sides. All four docks will be of the berth type similar to the one just completed at Ross Ferry by the Gorman company.

Use of double-end ferries will enable motorists to drive on and off the boats with a minimum of delay. Present ferries on these routes dock stern-first only, and cars must back off the boats.

Due to difficulty of obtaining steel sheet piling, the department explained, there will be considerable delay before actual steel work can start..

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Prince Edward Is.

Wet or Dry?: The Island faced a definite decision on the liquor question, next Monday. It could go wet, by voting for government control; it could go dry, by favoring the old-time prohibition. But there would be no halfway measure; whatever the choice, it would mean an end to the "back door" system of the last two years, during which liquor was obtainable on doctors' prescriptions, good for six months. The Jones Government insisted it was not trying to sway voters in either direction: "The desire of the Government is solely to ascertain the will of the province."

New Radio Station: A new radio station was in prospect for Summerside, as a group of local businessmen organized the Gulf Broadcasting Co. and immediately launched construction of transmitting facilities. Summerside has had no radio station since CHGS, owned by a department store, closed down on Mar. 31 after 25 years in operation. The new station will start with a power output of 250 watts, covering most of Prince Edward Island, northern New Brunswick and northern Nova Scotia.

BUSINESS THIS WEEK

	JUNE	MAY	APR.	MAR	Year Ago
MERCHANDISING					
Dept. store sales index no. (1)	....	....	278.9	275.6	232.8
Retail sales index (no.)	....	....	254.5	244.2	224.5
aWholesale sales index (no.)	....	....	284.4	264.4	263.8
FINANCE					
aDividend payment index (3)	197.0	[illegible]	196.0	194.5	160.9
Money supply (millions $)	....	....	....	7,625	7,303
NEWSPRINT CAPACITY					
Production ratio	....	....	102.3	99.1	101.0
Shipment ratio	....	....	101.1	97.3	102.8
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S.)	....	....	214.9	221.7	218.5
Cars (D.B.S.)	....	....	170.1	160.9	158.5
COST OF LIVING					
D.B.S.	....	153.3	151.6	150.8	133.1
EMPLOYMENT INDEX					
All industries	....	....	186.5	188.9	180.7
Manufacturing	....	....	201.8	202.6	193.2
Payrolls (June 1/41=100) (2)	....	....	184.7	183.8	163.9

	1948	1947	1948 Jan. 1 to date	1947 Jan. 1 to date	% Change
RAILWAYS—(000's omitted)					
aCarloadings (week June 12) (6)	75.1	78.1	1,756.6	1,711.2	+2.7
aC.N.R. gross rev. (May)	41,145	38,554	188,756	174,849	+7.9
aC.N.R. net rev. (May)	3,749	4,304	9,459	13,559	—30.2
C.P.R. gross rev. (April)	27,820	26,247	105,079	97,595	+7.7
C.P.R. net rev. (April)	1,323	1,735	2,656	3,010	—11.7
IRON AND STEEL (000's omitted) (April)					
aPig iron production (tons)	170.8	160.7	654.6	653.1	+0.2
aSteel production (tons)	264.3	252.2	1,046.7	1,000.9	+4.5
CONSTRUCTION (000's omitted)					
Contracts awarded (May)	134,916	64,206	349,200	253,600	+37.7
Cement prod., bbls. (April)	1,038	933	4,156	3,395	+22.5
AGRICULTURE (000's omitted)					
Flour prod., bbls. (Apr.)	1,855	2,399	7,515	9,307	—19.3
aFlour exp., bbls. (May)	1,715	2,308	5,483	7,389	—25.7
aWheat exp., bush. (May)	12,206	18,315	46,833	55,735	—15.8
Cattle sales (May) (4)	105.3	111.9	591.6	522.8	+13.1
Hog sales (May) (4)	403.7	486.3	2,432.6	1,933.3	+25.8
SEA FISHERIES (000,000 omitted)					
Catch, lb. (April)	35.9	27.1	275.9	170.5	+61.5
Landed value $ (April)	2.4	1.7	8.0	5.3	+50.9
NEWSPRINT (000's omitted)					
Production (April)	386	369	1,490	1,453	+2.5
Exports, tons (April)	381	376	1,441	1,414	+1.9
MINING AND OILS (000's omitted)					
Coal prod. (tons) (May)	1,353	860	7,126	5,524	+29.0
Gold prod. (fine oz.) (Mar.)	288	264	823	721	+14.1
Petroleum prod. (brl.) (Mar.)	816	602	2,374	1,734	+36.8
ELECTRICAL POWER OUTPUT (000,000's omitted) (April)					
Total monthly kw.h.	3,733	3,727	14,780	15,128	—2.3
FOREIGN TRADE (millions of $)					
Imports (April)	226.7	225.6	812.0	785.4	+3.4
Exports (April)	212.3	190.9	884.4	788.0	+12.3
FINANCE (millions of $)					
Bank debits (Apr.)	6,861	6,043	25,180	23,593	+6.7
Bond sales (Apr.)	196.2	566.3	1,833.0	2,133.7	—14.1
Life insurance sales (Apr.)	102.8	103.4	406.0	409.1	—0.8
OTHER INDUSTRIAL FACTORS (000,000's omitted)					
Shoe prod. (Mar.)	3,091	3,456	8,248	9,868	—16.6
aCigarette cons. (no.) (May)	1,264	1,279	6,384	6,227	+2.5

(1) Base period 1935-39=100.
(2) All industries.
a New items for week.
(4) Total at yards and plants.
(5) Nesbitt, Thomson, etc.
(6) Incomplete.

F. R. DEAKINS

President of RCA Victor Co., has been elected president of the Radio Manufactuers' Association of Canada.

Import Restrictions Working Balance $140 Millions Better

OTTAWA (Staff) — Import restrictions started to bite into Canada's adverse U. S. trade balance in April. New figures show a $22 million reduction in Canadian purchases from the United States, as compared with the same month last year.

For the first four months, total Canadian imports from the United States are $585 millions against $621 millions in the same 1947 period.

Canadian exports to the United States, furthermore, have been moving ahead sharply in dollar value. Total for the four months is $422 millions, against $320 millions in the same period last year. This represents an over-all improvement in our United States trade balance of close to $140 millions for the four months. In the period, our total adverse trade balance with the United States is $156 millions, against $295 millions in the same 1947 period.

Canadian imports from the United Kingdom in April ($24.6 millions) show a small gain over March, and are almost double the figure for April, 1947. Cumulative total imports from United Kingdom in the four months is $85.7 millions, against $51 millions in the same period last year. Britain appears also to have cut back her purchases from Canada. In April they totaled $44 millions, only $1 million higher than in April, 1947. Previously the figures had been running very materially higher than a year ago.

This announcement is neither an offer to sell, nor a solicitation of an offer to buy any securities. The offering is made only by the Offer and the Purchase Warrants referred to below.

To the Holders of Bearer Share Warrants
of
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Rights, evidenced by Purchase Warrants, to purchase and to apply for

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fully paid and non-assessable, of Common Stock
without nominal or par value
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$9.20 (United States Dollars) per Share

are being issued by Imperial Oil Limited (hereinafter called "Imperial") to its shareholders. Such rights will expire at 3.00 P. M. on September 30, 1948.

Imperial has appointed MONTREAL TRUST COMPANY at its offices in each of the following cities in Canada: *Halifax, Montreal, Toronto, Winnipeg, Calgary and Vancouver* to act as Agent of Imperial for the performance of the various ministerial services required in connection with the Offering.

A copy of the Offer and the other material pertaining to the Offering, exclusive of the Purchase Warrants, may be obtained on application to MONTREAL TRUST COMPANY, Agent, at one of its offices specified above.

In order to obtain the Purchase Warrants to which they are entitled, holders of bearer share warrants of Imperial must present their bearer share warrants, with Coupons Number 70 appertaining thereto attached, to the said Agent, at one of its offices specified above, at or before the expiration time specified above, whereupon the said Agent will return such bearer share warrants, together with the Purchase Warrants issued in respect thereof and a copy of the Offer and the other material pertaining to the Offering, after detaching said Coupons Number 70 as evidence of the issue of such Purchase Warrants.

Purchase Warrants will be available on or about July 3, 1948

By Order of the Board of IMPERIAL OIL LIMITED
H. H. Hewetson, President.

NOTE: Registered shareholders of Imperial Oil Limited of record at the close of business on June 18, 1948, will be fully advised by mail on or about July 3, 1948.

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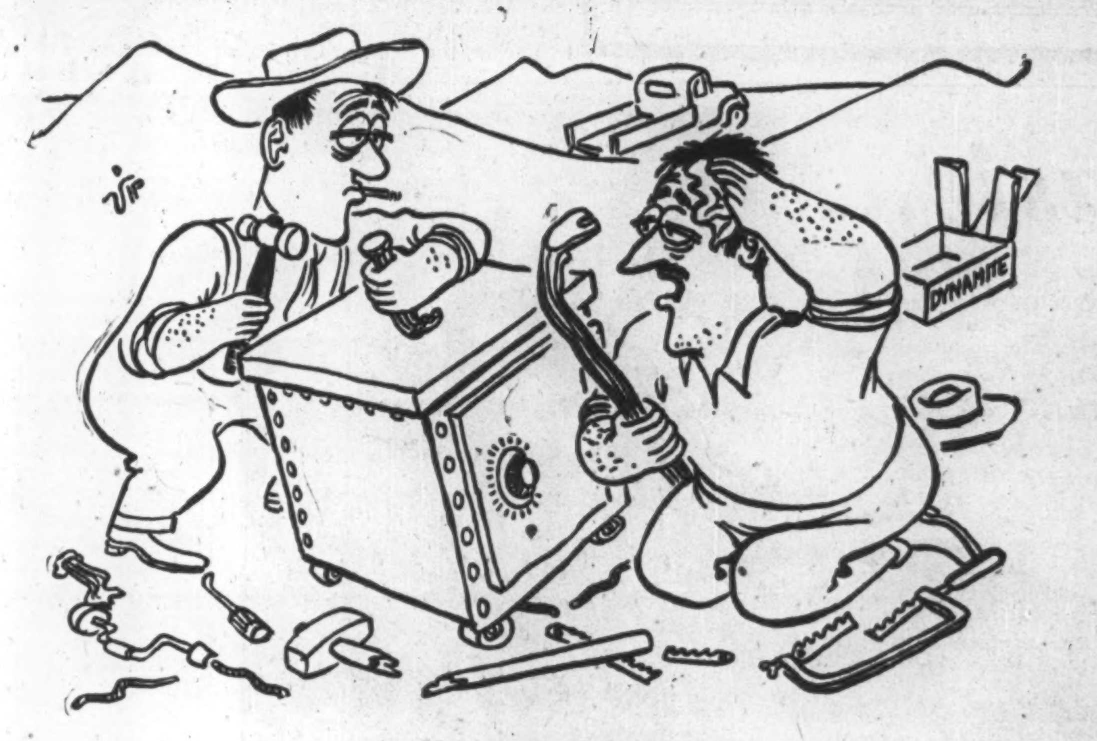

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Dey must have glued it shut with Swift's Glue."

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Some Swift Adhesives are extremely fast-setting . . . others hold a long tack. Some are flexible . . . others dry hard. Some are for paper or cardboard . . . others are for tougher jobs, for joining wood, metals, acetate, and so forth.

Swift Adhesives machine beautifully, and are highly efficient for almost every gluing operation. Send for a trial shipment of the adhesives we've developed for your particular job..

SWIFT CANADIAN CO.,
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The original concrete had begun to disintegrate, exposing the reinforcing steel and threatening the soundness of the building. Our work consisted of the removal of all faulty concrete, cleaning exposed reinforcing and the application of sound, dense Gunite over the whole area.

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HALVES OF THE
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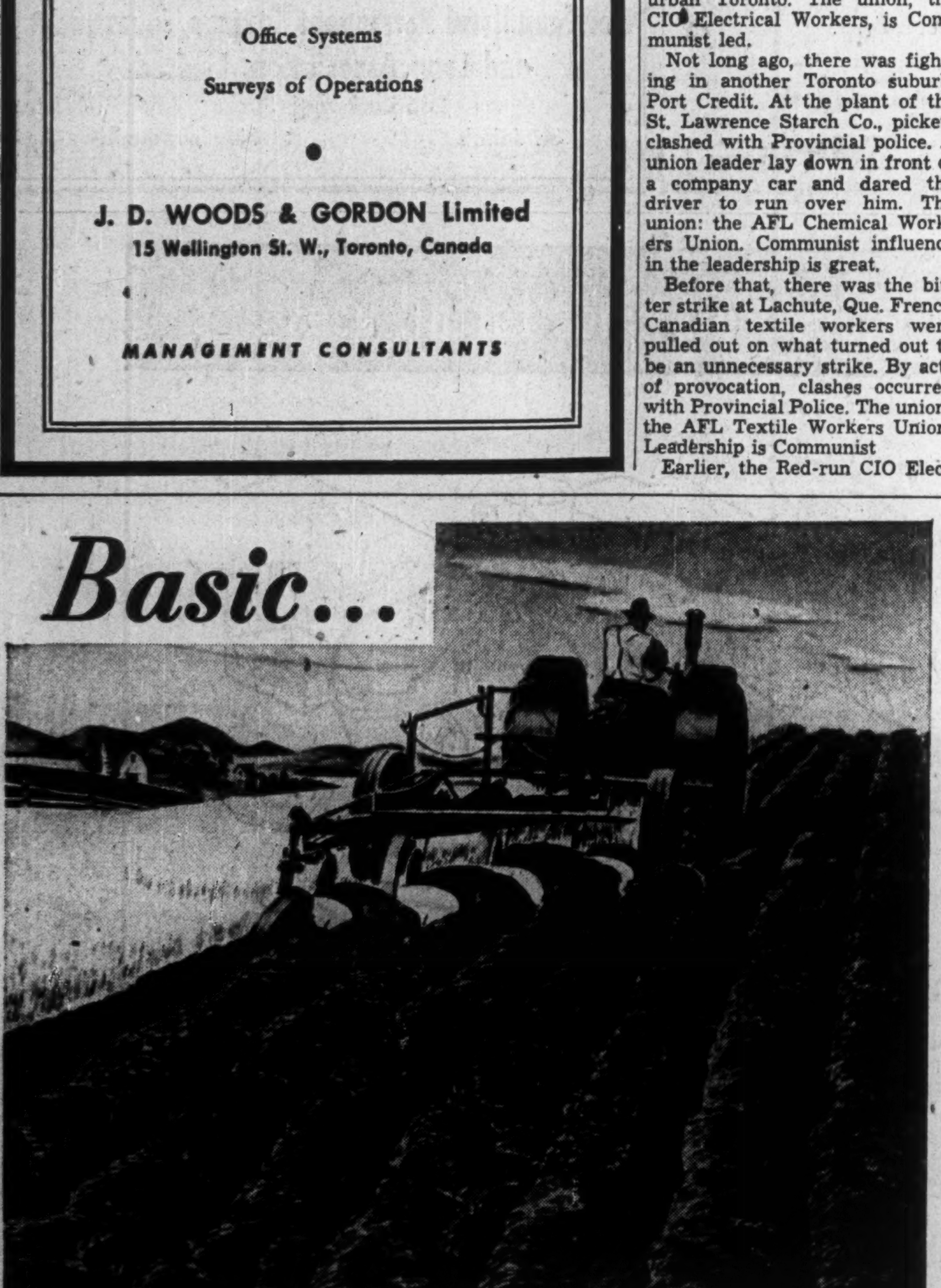

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90 JOHN ST., NEW YORK 7 · 130 BUSH ST., SAN FRANCISCO 4

LABOR ROUNDUP

General Strike Commie Goal In Violent Shipping Fight

By RONALD WILLIAMS

Canadians were this week getting an unpleasant taste of Lenin's basic Communistic revolutionary strategy of "mass action through strikes."

Up and down the Great Lakes in Ontario and Quebec, the Communist leadership of the Canadian Seamen's Union was using immature teen agers to do their dirty work.

Youthful heads were bashed in, eyes blackened. The CSU pawns boarded ships and dragged crews off. There were frequent clashes with police and rival unionists.

At midweek, the real Communist goal became apparent: the general strike. They had decided to call a general strike on the lakes and were trying to engineer a one-hour general strike of all industry.

However, chances of achieving the second were pretty slim. The Commies tried to pull it once before; during the Ford strike. It almost came off. This time with even rabid union men against it, it's much less likely to succeed.

Regardless of the rights or wrongs of stand taken by the shipping operators, many union men this week felt the trouble had gone far beyond the bounds of any ordinary industrial dispute.

There was no longer any pretence of practicing industrial democracy. The club and the basebat had taken the place of the spoken word as the great persuader.

If a seaman freely chose to join the rival Canadian Lake Seamen's Union, he could expect a beating from the CSU. By last week, scores had been beaten. The Communists, win, lose or draw, were riding high.

• • •

Violence Shocking But Not Surprising

If the violence was a shock to the public, it should have been no surprise. The postwar strike record reveals that in almost every case where there has been picket-line violence, the union involved has been Communist-dominated.

Only a month ago, there was violence outside the Rogers Majestic Radio plant in Leaside, suburban Toronto. The union, the CIO Electrical Workers, is Communist led.

Not long ago, there was fighting in another Toronto suburb, Port Credit. At the plant of the St. Lawrence Starch Co., pickets clashed with Provincial police. A union leader lay down in front of a company car and dared the driver to run over him. The union: the AFL Chemical Workers Union. Communist influence in the leadership is great.

Before that, there was the bitter strike at Lachute, Que. French Canadian textile workers were pulled out on what turned out to be an unnecessary strike. By acts of provocation, clashes occurred with Provincial Police. The union: the AFL Textile Workers Union. Leadership is Communist

Earlier, the Red-run CIO Electrical Workers got the employees of Imperial Optical, Toronto, embroiled in battles with the Toronto police.

In Vancouver, Communists were behind the riot outside the offices of the strike-bound Vancouver Daily Province. In Windsor, Ont., they were the masterminds behind the mass auto blockade during the Ford strike.

Mere coincidence? Events in Europe where the Communists have gobbled up country after country suggest they are not.

• • •

Unions Lose Reds Win

In almost every case of Communist-inspired violence on the picket-line, the union was smashed, workers lost jobs.

It happened in Lachute, Que., in Port Credit, Ont., at Imperial Optical, Toronto; it's happening at Rogers in Leaside and it's almost certain to happen off the Great Lakes.

If more and more rank and file unionists in Communist-controlled unions are beginning to mutter about whose welfare the Reds are interested in — theirs or Russia's — the explanation is there.

Unions smashed, jobs lost, plants tied up unnecessarily — that's the record of Communist labor stooges since the war. They've led unions around by the nose. From a purely union standpoint, their leadership has been ruinous; but they have been getting high marks in stirring up discontent and promoting class war.

• • •

Strikes Threaten Auto Production

The other labor-management spotlight was on the automobile industry. The CIO Auto Workers had rejected an offer of 10c an hour by General Motors, at Oshawa. These negotiations occupied centre stage but there were rumblings elsewhere.

At Windsor, a strike of 300 at the Canadian Automotive Trim, threatened to tie up Ford production lines. The vast Ford plant, just getting rolling on new models, could last perhaps two weeks but after that production would have to halt for lack of upholstery panels and inside trim.

The union wants another 25c an hour. The company countered with a flat 9c with a one-year wage-freeze rider or a sliding increase. Both were rejected.

"The UAW will strike rather than agree to year-long wage freezes," warned Union Director George Burt at Windsor, declaring that the UAW was prepared to fight to the finish to keep workers' wages in line with rising prices.

At Oshawa, a strike of 150 UAW employees halted production of bumpers at Skinner Auto Parts. The firm supplies GM and Chrysler but both are believed to have emergency alternate sources they can draw on. The union is asking 25c an hour. A company offer of 9c was turned down.

COMPANY REPORTS

MODEL OILS total revenue increased 27% to $56,402 in year ended May 31, 1948, due to a large extent to higher price of 40% gravity crude oil, now selling at $3.66 per bbl. Net profits, after higher write-offs for depreciation and income taxes, finished $6,021 higher at $15,594.

During past year there has been a great deal of activity in the Hanna area, and contracts have been let for drilling three wells in that locality. Company is interested in this area through its investment in Berry Creek Petroleums in which company owns over 20% of the stock, President Wm. C. Fisher states. One of the wells proposed in immediate future will be on acreage in Berry Creek reservation.

INCOME ACCOUNT

Years Ended May 31:	1948	1947
Prod'n revenue	$23,582	$13,847
Less: Royalties	4,848	2,953
Add: Royalty rev.	32,966	26,763
Other rev.	4,702	6,618
Total net rev.	56,402	44,273
Less: Oper. & admin. exps.	20,662	24,300
Depreciation	1,424	1,476
Depletion	12,925	8,926
Income taxes	5,797	......
Net profit	15,594	9,373
Less: Dividends	......	19,910
Surplus for year	15,594	*10,337
*Deficit.		
Earned per Share	$0.016	$0.010
Paid	nil	0.02

CONDENSED BALANCE SHEET

As at May 31:	1948	1947
Cash	$161,898	$30,423
Accts., etc., rec.	22,691	1,460
Investments	106,854	311,179
Mater. & supplies	17,415	851
Total curr. assets	308,858	343,913
Development acct.	684,461	684,462
Organ. expenses	98,683	98,683
Less: Depr. & depl.	490,072	479,812
Land & leases	547,847	547,847
Plan & equip.*	6,792	39,660
Total assets	1,156,569	1,234,753
Accts., etc., pay.	......	6,848
Taxes pay.	6,839	1,043
Total curr. liab.	6,839	7,891
Depl. reserve	......	30,540
Capital stock	995,510	995,510
Surplus	154,220	200,812
*After depr. of	57,853	57,128
Working capital	302,019	336,022

CITY OF HAMILTON, Ont. sold a new issue of $1,904,000 serial debentures to a syndicate consisting of Dominion Securities Corp., Wood, Gundy & Co., A. E. Ames & Co., Royal Bank, Bank of Nova Scotia and Canadian Bank of Commerce. Price was $100.091, or a cost to the city of about 2.95%. Issue consisted of $517,000 2¾%'s due June 1, 1949 to 1958 and $1,387,000 3%'s due June 1, 1949 to 1968. Proceeds on the 2¾%'s are for waterworks and sewers; and on the 3%'s, for public schools and parks fund. The first 10 maturities have been sold privately and the eleventh to twentieth maturities are being offered on a 3.10% yield basis.

CANADIAN INGERSOLL RAND CO. no par value common shares (ticker abbreviation "CIR") has been added to curb trading on the Toronto Stock Exchange.

News of Advertising

Cockfield, Brown & Co. Ltd. announces three new campaigns for Imperial Oil Ltd.

Cartoons are used in trade paper campaign for Imperial Oil Industrial Lubrication Service. Each shows petroleum product being misused (Barber puts Mica Axle grease on customer's hair; father uses motor oil on his infant; oiler put cutting oil on hot bearing). Theme: "Are you using the right product in the right place?"

Coupons are used in 200-line advertisements promoting use of company's propane gas "Essotane" for cooking and water heating purposes in homes beyond gas mains. Distribution problems made it necessary to introduce Essotane in limited area, but new districts are to be added.

The large number of women and girls employed by Imperial Oil in a variety of capacities — stenographers, secretaries, research workers, foreign language translators, scientists, and plant workers — is theme for a series of advertisements aimed at influencing public opinion.

• • •

Twenty-two Ad and Sales Clubs in 15 Canadian cities will send representatives to Toronto next week for the 1948 annual conference of the Canadian Advertising and Sales Federation, Monday and Tuesday. Attendance is expected to be more than 150.

• • •

Walsh Advertising Inc. (Montreal) appointed to handle advertising in area north of St. Lawrence River for Provincial Transport Co.'s bus motor-coach services. Schedules will feature improved frequent bus services particularly from Montreal to Laurentian Mountain resorts this summer and fall and to beaches near Montreal. Provincial Transport is affiliated with Greyhound Bus Lines and has connections with other bus systems operation to New York, Boston, the Maritimes, and Ontario.

• • •

Ronalds Advertising Agency Ltd. (Toronto) directing advertising for a variety of Canada Rex Spray Co.'s products. Two magazines aimed at outdoor sportsmen carry ads for a new product, Rex Repellent Cream. Advertising for Fly Tox in two forms — 5% DDT Spray and the Aerosol Bomb — has been released to week-end papers, a selected list of Northern Ontario dailies, and some "A" centre dailies. Selected list of Ontario dailies are carrying space for Tat Ant Traps. Copy for Stockaid, cattle spray, and Rexaid, residual barn spray, has been released to farm papers. Tat-C-Leet, for killing crabgrass, released to Toronto dailies and selected magazines.

• • •

O'Brien Advertising Ltd. (Vancouver) appointed to direct advertising in B. C. for The Dairy Pool, Saskatoon, marketers of Primrose Cheese. Initial campaign consists of high frequency small space product identification ads in B. C. daily newspapers.

• • •

Cockfield, Brown & Co. Ltd. (Vancouver) appointed to direct advertising for Pacific National Exhibition at Vancouver, second largest permanent exhibition in the Dominion. Same agency handles CNE advertising.

• • •

Walsh Advertising Inc. (Montreal) is placing 100-line single column ads in Canadian newspapers, especially in Montreal and Ottawa, for Whiteface Mountain Authority of Lake Placid, New York, featuring attractions of that Adirondacks resort.

• • •

Aikin-McCracken Ltd. (Toronto) appoints Phyllis Judson as media director.

• • •

Molson's Brewery Ltd. appoints Armand Pambrun of Montreal as advertising manager. Joined Molson's in 1945 after discharge as RCAF pilot officer; had five years' war service, three and a half years as a prisoner in Germany.

• • •

Cockfield, Brown & Co. Ltd. appointed advertising and public relations counsel to the Quebec Hospital Service Association (Blue Cross); program expected to be under way by August this year.

CITY OF SASKATOON, Sask., has sold a new issue of $416,000 serial debentures to Bell, Gouinlock & Co. at $99.30 and accrued interest at a cost to the city of 3.95%. The issue consists of $199,000 3¼%'s due 1949 to 1958 sold privately; $109,000 of 3½%'s due 1959 to 1968 of which the 1959 to 1963 maturities were sold on a 3.50% basis and the 1964 to 1968 maturities on a 3.60% basis, $108,000 of 3¾%'s due 19[illegible] 1978 which were sold on a 3.75% basis. Proceeds are for paving, sewers, and watermains. Average interest rate is 3.572% and the average maturity 13.55 years.

ATLANTIC OIL CO. shares were listed for trading on the Toronto Stock Exchange, June 21. Ticker abbreviation is ATL.

CHURCH'S

Good Judgment!

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$22.50 and $23.50

CASE Two Shops THE NEW Henry Marks

1115 ST. CATHERINE ST. W. In the Mount Royal Hotel

To Present and Prospective Shareholders of

Imperial Oil
and
International Petroleum

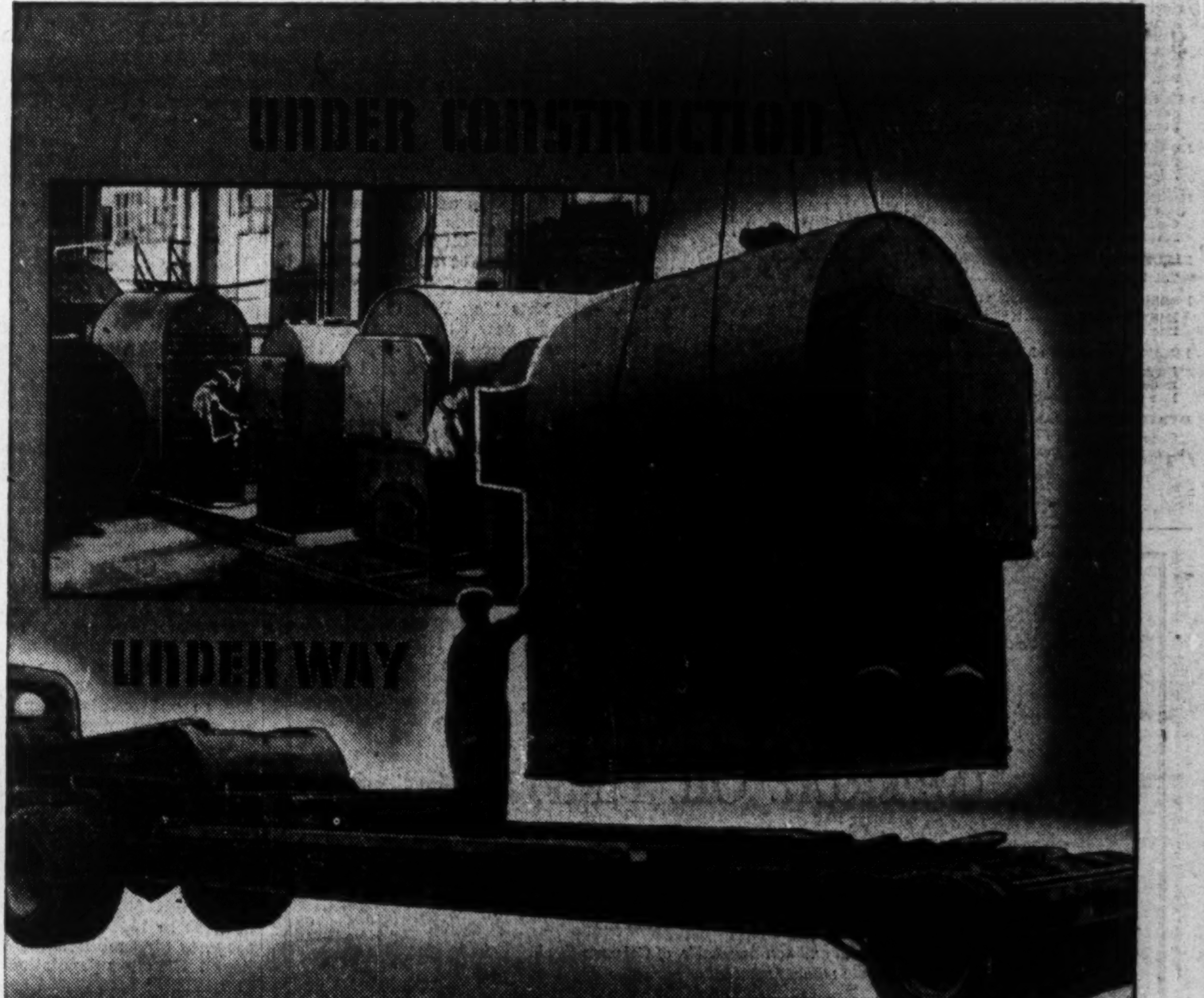
The proposal for the exchange of shares and the implication in the "rights" that shareholders are given appears, at first sight, to be a little complicated. But the explanation is quite simple as given in our pamphlet entitled "The Future of Imperial Oil".

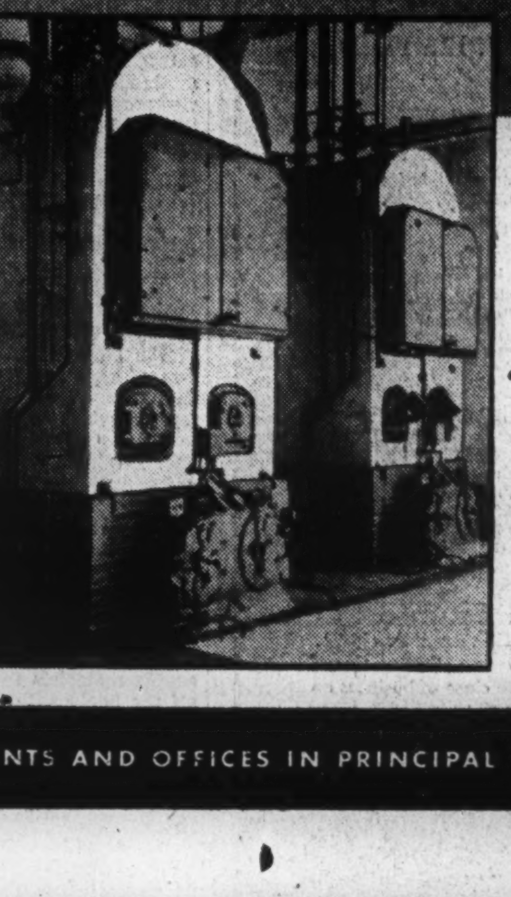
The approximate value of "rights" is shown, as well as the proportionate equity between shares of Imperial Oil and International Petroleum. The result of exchanging International Petroleum shares for Standard Oil Company of New Jersey shares is also shown, coupled with a brief survey of the long term future of the oil industry, particularly in Western Canada.

In view of the vast development programme of Imperial Oil in Western Canada, this pamphlet is of immediate importance to all present and future Imperial Oil and International Petroleum shareholders.

Write for a copy now.

MIDLAND SECURITIES
LIMITED
Huron & Erie Bldg., London
Dominion Bank Bldg., Toronto





From the Robb Engineering Works in Amherst, N.S., and Dominion Bridge plants throughout Canada, comes a continuous stream of ROBB-VICTOR BOILERS, destined for a host of heating applications.

They provide low pressure steam for heating and process work with great efficiency, are readily adaptable to all types of firing and possess a high rate of heat transfer.

Let us co-operate with your consulting engineers to provide you with the boiler best fitted for your needs.

For a copy of the ROBB-VICTOR BOILER CATALOGUE, write to Box 280, Montreal.

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DOMINION BRIDGE
COMPANY LIMITED

PLANTS AND OFFICES IN PRINCIPAL CITIES OF CANADA

"I'm sorry—Mr. Brown is busy..."

THE pressure of modern business is so great that there is little time left to devote to personal affairs and there is always the danger of neglecting them.

Has the time come to share the responsibility? Our Management Service is designed to meet this serious problem—and is doing so for a steadily growing number of executives.

You can give your assets this extra protection at remarkably low cost. May we discuss it?

Capital, Reserves and Surplus
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OTTAWA QUEBEC SHERBROOKE

Greenshields & Co Inc
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OTTAWA QUEBEC SHERBROOKE

THESE DEBENTURES HAVING BEEN SOLD, THIS ADVERTISEMENT APPEARS AS A MATTER OF RECORD ONLY

$416,000
CITY OF SASKATOON
3¼%, 3½% AND 3¾% DEBENTURES
MATURING JANUARY 1, 1949 TO 1978

PRICE:
3¼%, MATURING 1949 TO 1958—TO YIELD 3.00%
3½%, MATURING 1959 TO 1963—TO YIELD 3.50%
3½%, MATURING 1964 TO 1968—TO YIELD 3.60%
3¾%, MATURING 1969 TO 1978—TO YIELD 3.75%

BELL, GOUINLOCK & CO.
LIMITED
ESTABLISHED 1920
25 KING STREET WEST
TORONTO
MONTREAL WINNIPEG

THE ADVERTISING BUSINESS

Ford 'Turning on Heat' In Big Advertising Drive

BY WALLACE GILLESPIE

Ford may be coming back this year as Canada's top automotive advertiser.

Though Ford of Canada didn't lose out to General Motors in number of units produced (as it did in the United States), GM has had the edge in advertising and promotional volume on both sides of the border.

Currently, however, Ford is using its heaviest promotion artillery to soften the market of its "all new" vehicles. It started out in January with trucks, and intensified as it moved on to medium and low price models unveiled "with nothing the same but the name." Soon it will reach a crescendo as a new auto name is hammered into the public's consciousness.

With the big drive for the "X" car still officially, though not too tightly, "under wraps," there's no complete figure for the amount of money Ford of Canada will spend this year advertising its new models. The extent of the advertising schedules have been outlined pretty well to dealers and the advertising trade, and one can see the dollar figures rolling into six digits. Those close to the account believe that, when 1948's advertising expenditures are finally totalled up, Ford may be leading among the automotive manufacturers.

Size of the advertising assignment can be judged by the schedules now running for the "Ford" itself, produced in both "De Luxe" and "Custom" models.

"Preview Technique"

A spokesman for the agency, Cockfield, Brown & Co. Ltd., explains that one of the major problems to be met was that of getting a mass of information over to the general public in such a way that it wasn't indigestible. The solution employed was the "preview technique" in which the distinctive features of the car are fed to the public little by little.

On June 12 — almost a week before the styling features of the vehicle were illustrated in any advertisement — daily newspapers across Canada carried an advertisement entitled "The Inside Story of the '49 Ford." The illustration was that of a nude chassis, wheels, and engine. This provided an opportunity to highlight mechanical features so that the later full-page "announcements" in major dailies could concentrate on styling features. Smaller dailies and weeklies also carried "announcement" ads, though less than full-page.

Long before this preview ad appeared, Ford was teasing the public from billboards, first with a poster employing three sets of eyes "Watch Ford in '48" and more latterly with a girl cutting pigtails "Won't Be Long—Watch Ford."

A double-page advertisement in color will soon appear in a leading Canadian magazine and in two week-end rotoyravure papers. Ten other national publications (four of them in French) will get one-page color ads. Another color advertisement, detailing those points discovered to be of special interest to women, is scheduled for four women's magazines (two French). Schedules are also running in financial papers, automotive press, and leading farm publications.

Prefer Visual Media

Radio tells the story of the "Ford Forty-Niner" via the Fred Allen Show, heard on 31 Trans-Canada network programs and the Ford Theatre on 42 Dominion Network stations. A "Theatre Ford" was running on the CBC's French network until it went off for the summer season. (Traditionally, Ford has ventured further into radio as a secondary medium than the other automotive manufacturers; all agree that visual media are primary, since an automobile is a product which must be seen).

Coincident with the advertising campaign has been dealer promotion. A kit placed in the hands of every Ford dealer in the country outlines what the company has already done in national advertising and makes suggestions for dealer advertising via local newspapers, radio, theatre slides where available, window trim, etc. He is also given a sample invitation card and letter for use in his own showing of the new auto, and an eight-point check chart of duties to be performed in connection with the event.

Apart from previews to the press and trade in every major Canadian city, showings were left in the hands of dealers. There was nothing in Canada comparable to Ford's spectacular unveiling at the Waldorf-Astoria in New York a fortnight ago.

Study Public Preference

First of the "Big Three" to introduce an all-new postwar car, Ford has been striving this year to stir up a clamor comparable to its introduction of the "Model A" in 1927. A distinction between this and any of Ford's earlier "new cars" has been the more diligent use of research in finding out what the public wants in a car. This, in turn, is said to reflect the policies of Henry Ford II and his reorganized "high command."

In the United States, where Ford's relative position vis-à-vis GM is more disturbing than it is in Canada, the unveiling of the new Ford is being heralded as the opening gun in a showdown battle between the "Big Three" for first place in the low-price auto field —a battle which, observers say, will be resolved after 1950 with the end of the seller's market in low-priced cars.

Why, at this early date, should Ford spend $72 millions ($7.5 millions in Canada) on tooling and redesign, and another $10 millions (Canada figure not available) in telling the public about it? Some say Ford came first with a new car because a survey of the public's future "buying intentions" indicated a further relative loss to GM. The "all new" car, plus the promotion incidental to it, is designed to change all that.

COMPANY REPORTS

CANADIAN COTTONS net profit for the year ended Mar. 31, 1948 was up 12.1%. Included was $182,101 income from investments. Operating profits and taxes have to be read in the light of the fact the company operated during 7/12 of the year under controls. For the first three months of 1948, company bale openings were within only 80 bales of its openings for the corresponding period in peak production year of 1942.

It is not certain that commodity and manufacturing costs have yet reached their peak, the annual report states. The spot market for raw cotton had advanced from 36c to 38.5c per pound since March 31. There is an immediate demand for textiles not only in Canada but throughout the world and, so far as can be seen, it will continue through the current year, it is said. But ability to pay is a greater factor in forecasting continuity of trade, than is demand. There are distinct signs that the limit of such ability has been about reached, President E. C. Fox states.

Weighted average selling price of 12 of the company's largest production lines shows that, as of Mar. 31, 1948, they were 252% of the selling prices of Mar. 31, 1939. But at the same time costs have risen to 279% of 1939.

Additions to plant and equipment amounted to $1,851,007. Final cost of postwar program will exceed total estimated cost of $5,250,000 by about $100,000.

Under current conditions, it seems wise to estimate annual expenditures over and above expansion program, of approximately $500,000. These blanket expenditures prior to the war averaged about $300,000 a year over a period of years.

INCOME ACCOUNT

Years Ended Mar. 31:	1948	1947
Net earnings	$2,257,281	†$1,677,061
Less: Depreciation	747,052	415,709
Bond int.	78,750	45,938
Taxes reserve	545,000	425,000
Net profit	886,479	790,414
Less: Pref. divds.	198,312	198,312
Com. divds.	373,977	249,318
Surplus for year	314,190	342,784

†Includes unstated subsidy.

Earnings per Share and Dividend Record:		
Pref.: Earned	$5.36	$4.78
Paid	1.20	1.20
Com.: Earned	4.97	4.27
Paid	2.20+0.50	1.80

CONDENSED BALANCE SHEET

As at Mar. 31:	1948	1947
Cash	$548,749	$388,313
Accts. rec.	1,143,594	1,429,286
Investments▲	4,922,556	7,119,650
Inventories	5,101,987	4,671,541
Total curr. assets	11,716,886	13,608,790
Invest. in subs.	63,603	63,603
Misc. assets♦	404,080	497,000
Fixed assets	23,939,882	22,088,875
Total assets	36,184,451	36,258,268
Total curr. liab.	2,802,759	4,054,538
Funded debt	3,000,000	3,000,000
Deprec. res.	18,174,835	17,427,782
Contingent res.	541,895	548,479
Capital stock	6,075,400	6,075,400
Capital surplus	336,661	213,359
Earned surplus♦	5,252,901	4,938,710
▲Market value	5,722,455	7,908,045
♦Incl. refund. EPT	186,616	186,616
Working capital	8,914,127	9,554,252

KIRKLAND GOLDEN GATE MINES says that drilling south of 617 vein has returned assays of $3.50 across 24 in. and $17.15 across 24 in. in formation which warrants further investigation. Sixty feet to east of these intersections, but probably not connected with them, a drill hole ran through a quartz vein for 13 ft. and gave following assays: $15.40 for 4 ft.; $65.80 for 2 ft.; $84 for 5 ft. and $16.10 for 2 ft. Sector is some 40 ft. southeast of end of 617 drift and is believed to be No. 17 vein. Drill is being moved to 5th level to fan out a series of down holes to further test this vein.

IDA To Widen Education Plan

Enrollment in the elementary correspondence course of the Investment Dealers Association of Canada, which was launched last mid-February reached a peak of 315, H. L. Gassard, director of education, told IDA members at their annual meeting.

Discussions have been under way for several weeks on the furtherance of educational services, Mr. Gassard stated. Two-man editorial committees have been set up in Toronto and Montreal to advise the director of education in the construction of more advanced courses.

"Present planning points toward an intermediate course which, in effect, would take over the first half of what was formerly described as the advanced course," Mr. Gassard said. "Although discussions are continuing on the problem of the content of this course, we visualize one which will benefit especially those who deal with clients. Among the subjects will be corporation finance, financial statements and analysis of typical Canadian corporate situations."

If the concept of a four- or five-month intermediate course is accepted, a third or advanced course would complete the program. An estimated timetable might run something like this:

Elementary Course — February to June, 1948.
Intermediate Course — October, 1948, to February, 1949.
Advanced Course — September to December, 1949.

Accent on Quality

It is considered essential, Mr. Gassard stressed, that speed of production be made secondary to quality in the development of the intermediate and advanced courses.

"It is reasonable to expect," he added, "that two years' hence our program will be complete, and through at least one revision; and that we will then be in a position to approach Canadian universities with a view to their making use of the material which we have developed. In this way we hope that the thousands of young men and women who graduate each year will carry with them a better understanding of Canadian finance and the function of the investment dealer.

"Contacts are being made with provincial Departments of Education with the ultimate goal that high school teachers across the country will possess a better understanding of how our enterprise capitalism operates, and will be able to pass on their knowledge to their pupils."

Dealers were asked to arrange for the director to speak to teachers on his work with the IDA and the benefits to be obtained from contacts between educators and business men.

Trustees for Investors

Investment dealers were called upon to give serious consideration to their added responsibility as trustees of investors' money, by J. B. Ridley, speaking on "How Can The Professional Status of the Investment Dealer Be Improved" at the IDA forum session.

"High personal income taxes tend to drive investors into a disregard of recognized investment principles in their effort to seek gain rather than security of capital and income," Mr. Ridley stated. "This results in investors' assuming hazards not normally associated with the term 'investment.'"

Dealers were also asked to be vocal in fighting for reduced taxes, on the ground that peacetime taxes which are too high, tend to destroy initiative.

"If we do these things and continue realistically to develop in ourselves and our employees the necessary knowledge and skill acquired through educational efforts and experience; if we refuse to be interested in dirty dollars but at all times display a keen interest in the nice clean crisp ones; if we do all this with reliability and dignity, we cannot help enhancing the professional status of the Investment Dealer," Mr. Ridley said.

AREA MINES has taken an option on 15 claims in Bachelor Lake area, Que., and prospectors are now on the ground, President J. M. R. Corbet states in 1947 annual report. Principal asset still remains in 436,600 shares of Lake Dufault Mines where diamond drilling is currently under way. Other sizeable shareholdings include 200,000 shares of Dupresnoy Mines and 100,000 shares of Barrington Lake Copper Mines.

Current assets of $38,263 included cash of $25,199 and Dominion bonds of $13,064. Current liabilities totaled $714.

SERVICE TO INVESTORS

Investors are invited to avail themselves of any of our services, to call upon us for recommendations regarding the purchase or sale of securities.

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The Hydro-Electric Power Commission
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Principal and half-yearly interest (January 2 and July 2) payable in lawful money of Canada in Toronto, Montreal, Ottawa, Winnipeg, Vancouver, Halifax and Saint John at the holder's option. Callable in whole or in part on or after July 2, 1960, on any interest date at 100 and accrued interest, on thirty days' prior notice.

Legal opinion of Messrs. Daly, Thistle, Judson & McTaggart.

Coupon bonds in denominations of $1,000 and $500 with provision for registration as to principal.

The above bonds are direct obligations of The Hydro-Electric Power Commission of Ontario and will be unconditionally guaranteed as to principal and interest by the Province of Ontario, the guarantee being endorsed on each bond. The proceeds of the bonds will be applied as to $4,500,000 in repayment of maturing bonds of the Commission, as to $13,276,612.47 in repayment of maturing advances made by the Province of Ontario to the Commission, and as to the balance toward the cost of construction of works authorized to be undertaken by the Commission.

PRICE: 99 and accrued interest to yield 3.08%

As principals, we offer these bonds when, as and if issued and accepted by us, and subject to approval of Counsel.

It is expected that interim bonds will be ready for delivery on or about July 8, 1948.

A circular describing this issue will be sent upon request.

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The information contained in this advertisement is based upon statements on which we have relied. We do not guarantee but believe the statements herein to be true.

WHAT'S NEW IN BUSINESS

Manufacturers of products that are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respects it is new, and indicate its significance to its field.

Wheel-less Tiller

Mechanical tiller for small gardens works without axles, wheels, or tires. Eighty-four pound machine carries 1½ h.p. gasoline engine over a set of 10 roto-spikes or prongs, mounted coaxially. Two long centre prongs move the tiller forward; shorter outer prongs revolve at faster speed, churning up soil. Seattle maker claims the machine plows, discs, harrows, and pulverizes in one operation to depth of 3-inches to 6-inches. By setting lever, action of rotor is unified so that cultivator can move across lawns or driveways without turning up soil.

• • •

Typewriter Hookup

"Tandem-Typer" provides a vacuum hookup between two or more standard electric typewriters, without necessity for master record. While stenographer manually types on one machine, the others automatically produce identical copies.

• • •

Map Holder

"Kraftbilt Rollfile" holds 96 maps, filed vertically in 2-inch diameter tubes. Tubes are mounted in a large drawer which slides in and out on ball bearing extensions. Can handle maps from 30 inches to 54 inches wide. Made of heavy-gauge steel, file is fire-resistant and dust-proof.

• • •

Buffing Machine

California-made buffing machine will polish almost anything cylindrical at production speeds ranging from 120 to 2,000 pieces per hour.

• • •

Flame Watcher

Safeguard against flame failure in boilers, ovens, furnaces, and kilns is provided by Massachusetts-made electronic flame watcher. Flame rod—which responds to flame itself, not to flame's heat—is mounted near gas pilot, with tip touching the pilot or main gas flame. When fire goes out, rod signals control which promptly cuts off fuel supply.

• • •

Air Conditioner

Window-type air conditioner is equipped with two separate refrigerating systems for "selective cooling." One system supplies adequate capacity to cool a room during the night and temperate summer weather; two systems can be operated simultaneously on extremely hot days.

• • •

Seed Box

Plastics and light metal produce lightweight, corrosion-resistant seed bed. Plastic-coated wire mesh glazing, admitting a high degree of ultraviolet and infrared rays, replaces glass in the aluminum frame. Covers slide for greater convenience. Hail-proof and shatterproof, the seed bed can be packed flat for storage when not in use.

• • •

Dry Cleaning Control

Automatic system for controlling temperatures during dry-cleaning operation is said to be first of its kind. By turning knob resembling radio dial, it is possible to control and maintain tumbler exhaust temperatures to exact requirements for heavy woolens and cottons, for light woolens, or for fabric such as silk or rayon—each requiring a different and accurately controlled temperature to protect fibres from damage from overheating, yet high enough to provide proper drying and deodorizing.

• • •

Car Braking Device

Easy-to-install "Brake-A-Matic" locks auto's hydraulic brakes after driver has brought vehicle to full stop. He can, for example, take his foot off the brake when waiting for stop light; car won't roll either going up hill or down, and it won't creep, as is common with automatic transmission cars. While car is in motion, a governor or pressure switch keeps the circuit open, even with accelerator pedal released and brakes applied; solenoid valve will not be energized until auto comes to dead stop. New York maker says device is fully automatic; requires no change in driving habits.

• • •

Oil-coal Heater

Flip of a switch converts new double-duty burner, permitting home owner to use either coal or oil, depending upon preference or availability. Two separate combustion chambers are combined in a compact jacket. Electric control damper automatically shuts off one unit when converting to the other fuel, thereby preventing remaining fumes from igniting. Made in United States.

• • •

Stops Refrigerator Sweat

Strip of electrically conductive rubber which warms up to about 115 degrees F. is placed between freezing compartment and regular cold chamber of refrigerator. Heat keeps the dividing member or "mullion" free of moisture or "sweat," without materially affecting the temperature of refigerator, according to U. S. maker.

• • •

Two-purpose Heater

Electric heater which will both supply hot water and act as room heater is said well suited to needs of small shops and restaurants. Unit is 28 inches high, and measures foot in diameter. Water capacity is 5 gallons. Room heat comes through register at top. Made in Oregon.

• • •

Aluminum Enamel

Low-gloss enamel for aluminum used on outside of buildings stood up under 2,000 hours of accelerated weather - exposure tests, 1,500 hours of salt-spray treatment, heat and cold cycles, according to Cleveland maker. Coating can be sprayed on and fast-baked in the factory before or after aluminum part has been fabricated.

• • •

Interlocking Tile

Patented interlock grip of Pittsburgh-made plastic wall tile is said to make the tile self-aligning, and applicable by unskilled labor. Tenacious mastic holds tile to wall. Comes in many colors; can be sawed or drilled.

• • •

Large Plastic Sheets

Sheets of acrylic plastic measuring 100 inches by 120 inches are said by Philadelphia makers to be more than twice the size of any standard-size panel formerly available. Uses are seen in automotive industry, sign designers, merchandising showpieces, and in architecture.

• • •

Hedge Trimmer

Circular whirling blade of "Trimall" cuts hedges and shrubs. Electrically powered, tool is gearless; is 95% aluminum, and weighs only five pounds. Made in Illinois.

• • •

Toe Protection

Stronge, tempered steel, toe cap is built unnoticably into "Deluxe" shoe; can be used off-the-job as a dress shoe for any occasion. Toronto firm says this Balmoral-style oxford is available in sizes 5 to 12, including half sizes.

• • •

Semi-automatic Welder

Cleveland firm has adopted hidden arc welding (using deep flux) to a new semi-automatic welder. Simplification of this portable equipment makes it possible to use a hidden arc on jobs inaccessible for automatic welding.

• • •

Tool Air Hose

New air hose for small tools weighs less than half as much and is stronger than, the ordinary hose used in this service, according to U. S. announcement. Other features: flexible as a lamp cord, oil proof, permits working pressure as high as 250 psi.

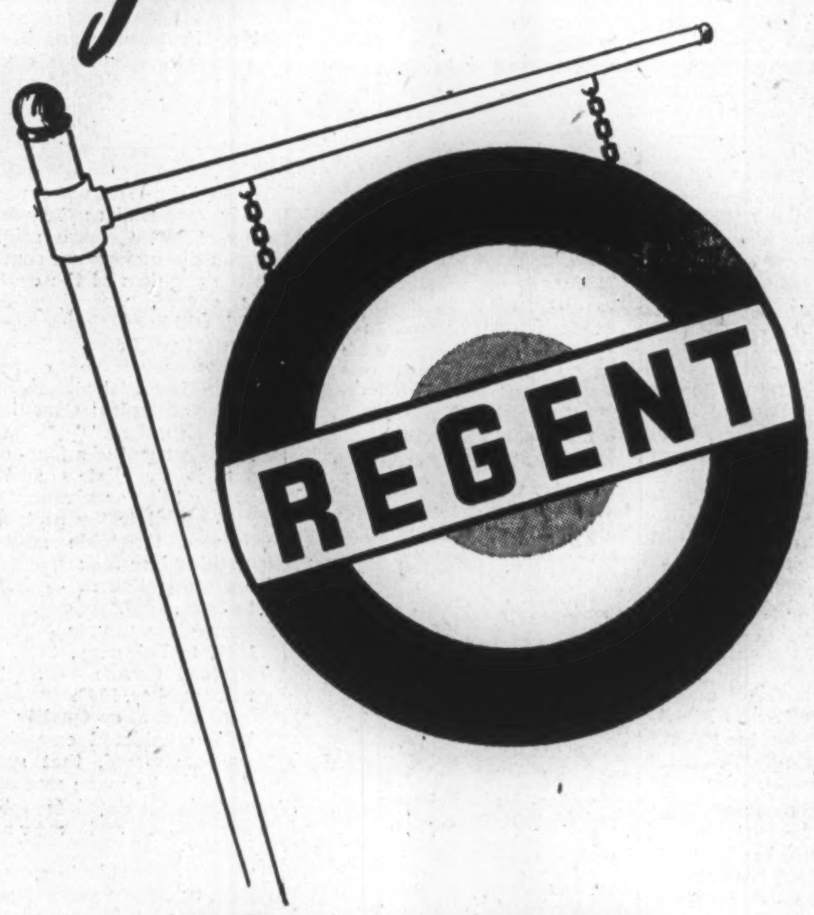
• • •

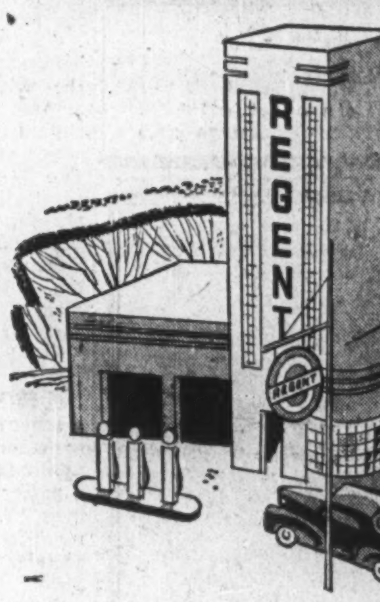
Nut Cooker

Nut cooker has capacity of 1,200 to 1,500 pounds of finished nuts per hour. U. S. maker says one man can handle four of these units, hence he can cook, salt, cool, and/or glaze between 40,000 and 50,000 pounds of nuts a day. Fire hazards are reduced.

DICKENSON RED LAKE MINES says that $400,000 first mortgage bonds have been underwritten at a discount of 10% together with 200,000 shares of capital stock at five cents a share, payable upon requisition by directors upon 30 days written notice, provided that no requisition for more than $46,250 will be made in any one month. Under the agreement, $100,000 in bonds and 50,000 shares have been paid for and issued capital is now 3,825,000 shares, leaving 175,000 shares in treasury.

BEVCOURT GOLD MINES has received payment for June 10 underwriting of 60,000 shares at 50 cents. Issued capital is 3,140,000 shares.





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From the earliest recorded history, the motivating, dominating force in man's life has been his love of home. To protect it, and those in it, he has taken up arms, fought and died. No race or people has achieved true greatness without the blessings of the background of the home and all that it implies.

Through the ages, literature, art and music bear testimony of man's devotion to his hearth . . . it has ever been a theme to move men to tears, laughter or song. It is the real force that shapes, moulds, strengthens that character of the Canadian people.

True, the Canadian is not given to the demonstrative . . . he would be ill-at-ease were he to be asked to define that love of home. Visitors to Canada have remarked on our closely-knit home life. But, say we, that is as it should be. People of other countries may mass-worship the army or the state as the supreme force in their lives. Not for the individualistic Canadian. There is a maxim: "Every man's home is his castle." The home is the force that works silently over the land, shaping our destiny throughout our lives . . . the refuge to which we turn after the day's work . . . the haven of peace and content. In the home, man is master, father, husband and host . . . here we find that most precious of all free men's possessions: The respect and affection of our own. Here are the books we treasure . . . the pictures we treasure . . . here, we and our children bring our friends. Truly, the home is the foundation on which the character of our people is builded. Without it, we might well degenerate into a race of robots . . . without feeling, heart or principle.

We shall ever guard the home and all those in it. That is our way . . . and that it shall always be.

No. 9 of a series on Canadian Democracy, dedicated to the people of Canada, partners in a true democracy, by

UNITED DISTILLERS LIMITED

VANCOUVER, B.C., AND GRIMSBY, ONTARIO

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Who Is to Blame for the Great Steel Shortage?

Production Soaring But Supply Getting Worse

By RONALD WILLIAMS

The iron and steel industry, often described as a feast-or-famine business, is living up to that description: today Canadian and world steel makers are experiencing the greatest feast in their history.

Production was never greater, profits nor wages never higher. Skilled steel finishers and rollers, the industry's aristocrats, are making as much as $10,000 a year—as much as $5 an hour on a tonnage basis.

Every steel furnace is operating at or near capacity. Canadian output is 2½ times the 1935-39 average. United States production is around 100 million tons a year.

Yet steel is the worst industrial bottleneck in Canada and the world. To hard-pressed manufacturers, steel is the universal topic as weather is to the general public.

Who is to blame for the great steel shortage?

The answer: Demon Demand.

This country is gobbling up steel at an unprecedented peacetime rate. Despite bigger helpings, Canadian industry is hungrier than ever for this basic industrial food.

Why a Steel Shortage?

Today more and more people are wondering why there should be a steel shortage. Why can't this industrial hunger be satisfied? Is the Canadian industry producing as much as it can? Should anything be done about increasing our capacity? Why do we have to import so much from the U. S.? What's in the future, more shortages or less?

A quick look at the industry shows these things standing out:

We are making just about as much steel as we can; we are operating just about as close to capacity as the industry can get.

Production in 1947 was 2.9 million tons, twice the 1937 output. Production this year is running 200 tons a day above 1947.

But consumption last year was almost four millions tons and would have been a lot more if we could have got our hands on it; the extra million tons came from the U. S.

Imports, like domestic production have doubled in the last 10 years.

Shortages are likely to get worse before they get better, particularly in the third quarter beginning July 1.

Generally speaking, Canadian steel men are adopting a cautious wait-and-see policy on any large-scale expansion. Programs under way now add up to a substantial $50 millions.

Comfort in Company?

If there's any consolation in company, Canadians can console themselves with the knowledge that the steel shortage is not an isolated incident. Canada's appetite for steel is not the only case of industrial hunger. There's a world-wide famine.

The reason is the same everywhere: unprecedented demand. In Canada, the scarce items have been flat rolled steel and wire nails. Yet flat-rolled output in the first three months of 1948 was at the rate of 650,000 tons a year. Imports from the U. S. are only slightly less than half of this volume.

That means Canadians are using flat rolled alone at the rate of about a million tons a year. That's record-breaking consumption. The same thing applies to nails. In 1938 we produced 1.2 million kegs; this year we're making them at the rate of 1.6 million kegs a year. Furthermore, in 1938, we were exporting nails. Today exports are banned.

Everywhere you look at the steel picture, it's the same: demand zooming, production desperately trying to catch up. This year, for example, we're producing 200 more tons of ingot steel a day than we did last year. We're making more bars, rods, wire, billets and castings and a host of other semifinished products.

But demand still outstrips supply. Steel users grab every bit of steel they can lay their hands on and then holler for more. The shortage of cars, refrigerators, ranges, structural steel, machinery and the hundred-and-one other manufactured articles stems from the one shortage—steel.

Steel Imports Essential

The key to the problem is not domestic production alone, experts say. Canada has always been heavily dependent upon imported steel for an important percentage of our requirements(about one ton in three) chiefly of the type of steel not rolled in Canada.

For example, almost every bit of sheet steel used in automobile bodies is imported. Main reason: It would mean building duplicate sets of body dies at tremendous cost to stamp bodies out in Canada. At present this work is done in the U. S.

Last year our dependence on U. S. imports amounted to a healthy 900,000 tons. That's double what we were importing in 1937. But in relation to domestic production, it's going down all the time. With what our own industry produced, Canadian industry was just able to keep rolling at the same speed. There could be no substantial acceleration.

Now with imports from the U. S. in serious danger of being cut, there might have to be a slowing down. Last spring's coal strike cost 20 million tons of steel. The effect of that is just now being felt as steel production is usually three months ahead of consumption in end use.

On top of this is the ERP program plus favored U. S. domestic programs and the rearmament program. "Adding all these together," warns the Canadian Manufacturers' Association, "would indicate that far from increasing our imports, we shall have our work cut out to hold them to present levels."

In view of the deteriorating import situation, can the Canadian industry do anything to take up the slack? According to D. S. Wood, the CMA's steel expert, ". . . the industry is doing all within its power to achieve maximum production."

To accelerate the process, the Government has taken steps to make adequate fuel and additional scrap available to mills. In addition, Ottawa set up the "Producers' Interchange" whereby semifinished steel is diverted from one primary producer to another to fully utilize finishing facilities.

Here's Expansion Programs

Then additional capacity is now available.

Algoma Steel Corp., Sault Ste. Marie, recently raised its capacity to one million tons a year.

The Steel Co. of Canada at Hamilton, Ont., has a $21 million program under way. A new cold strip mill will be in production this summer. However, this won't increase over-all steel production. Tonnage from this new mill can only be achieved by depriving other facilities.

Dominion Steel and Coal Corp., Sydney, N.S., is engaged in $4 million replacement program.

Dominion Foundries and Steel, Hamilton, Ont., recently deferred its program for installation of a new blast furnace and a battery of coke ovens due to high cost of construction.

Altogether, these various programs add up to roughly $50 millions. But the way things are today, they don't begin to fill the bill, complain the industry's critics, pointing to a $1.7 billion expansion program in the U. S.

Feast or Famine Industry

To which the steel industry's boosters reply: "Don't forget steel making has always been a feast or famine industry. If facilities are provided for a feast and demand is at famine level, there is bound to be trouble."

"Installation," they go on, "of steel-making capacity has always been an expensive (about $50 millions for a mill at today's prices) and lengthy (about three or four years) project. Under today's conditions, the expense can be ruinous unless there is an assured and steady market for its products.

"If capacity lies idle, it eats its head off in fixed charges. Such charges are bound to be reflected in unit costs and selling prices."

"Okay," the critics retort, "but try and explain why we in Canada have only capacity to make about one quarter of a ton per capita while the U. S. has enough for nearly a ton and a half?"

One answer the industry gives is that Canada is not as highly industrialized as the U. S.; that we are big importers of a multitude of steel-using products.

Steelmen, broadly speaking, are frankly cautious about large-scale expansion, even in view of this discrepancy between U. S. and Canadian capacities.

And you can hardly blame them after their grim experiences in the thin thirties. Their caution is understandable. Before they step out, they want to see where they're going.

Still a Question of Economics

When you get right down to it, they say, it's still a question of economics. Faced with today's uncertainty and inflation, who is going to risk $50 millions on something that may or may not pay off in three or four years time. By the time a new mill is in production, the boom may be over.

When some steel-hungry manufacturer asks: "Why don't those steel fellows expand?" Canada's steel makers recall those thin thirties with a bit of a shudder.

It wasn't so long ago that the industry was operating close to the line. On the average, between 1919-39, ingot production was only 65% of capacity; in leaner years, but 25%. The industry still gets the jitters at the memory of those gloomy days.

Says one: "Already there is some evidence that domestic demand is being more than satisfied in certain directions. Furthermore, we cannot hope to continue a policy of giving away exports. When this has to end, the situation facing the steel industry is likely to change with some rapidity."

In other words, if the boom doesn't last, the steel industry doesn't want to be caught with its expansion program down.

But on the other hand, if present efforts to reorient Canadian trade are successful and warrant an early increase in steel-making capacity, the industry is prepared to go ahead.

"In the meantime," says one spokesman, "the industry prefers to proceed quietly with its long-range expansion plans rather than to be panicked into doing things which may prove to be economically unjustified."

What about the immediate future?

Here's what the CMA's Steel Expert Wood says:

"Some of the major consumers of flat-rolled steel in the U. S. find that the pipe lines for their finished products, such as washing machines, refrigerators, stoves, etc., are becoming reasonably well filled.

"There are indications that the pressure of demand for steel for these products may relax toward the end of the year or early in 1949. And although any slack would probably be taken up by other industries, the total over-all pressure should tend to diminish in 1949.

"In addition, several million ingot tons of additional production should be available in 1949 from new facilities. However, there is a critical period through which we must pass before the faint glow of possible relief may become reality—the third quarter of 1948."

The Steel Picture . . . At a Glance

Four major producers of basic steel: Stelco, Algoma, Dosco and Dofasco; important producer of special steel, Atlas Steels.

Primary industry consisted of 47 firms (DBS 1945); total employment 29,378; salaries and wages paid, $57.8 millions; cost of materials, $86.4 millions; fuel, $16 millions.

Production in 1947: 2.85 million ingot tons.

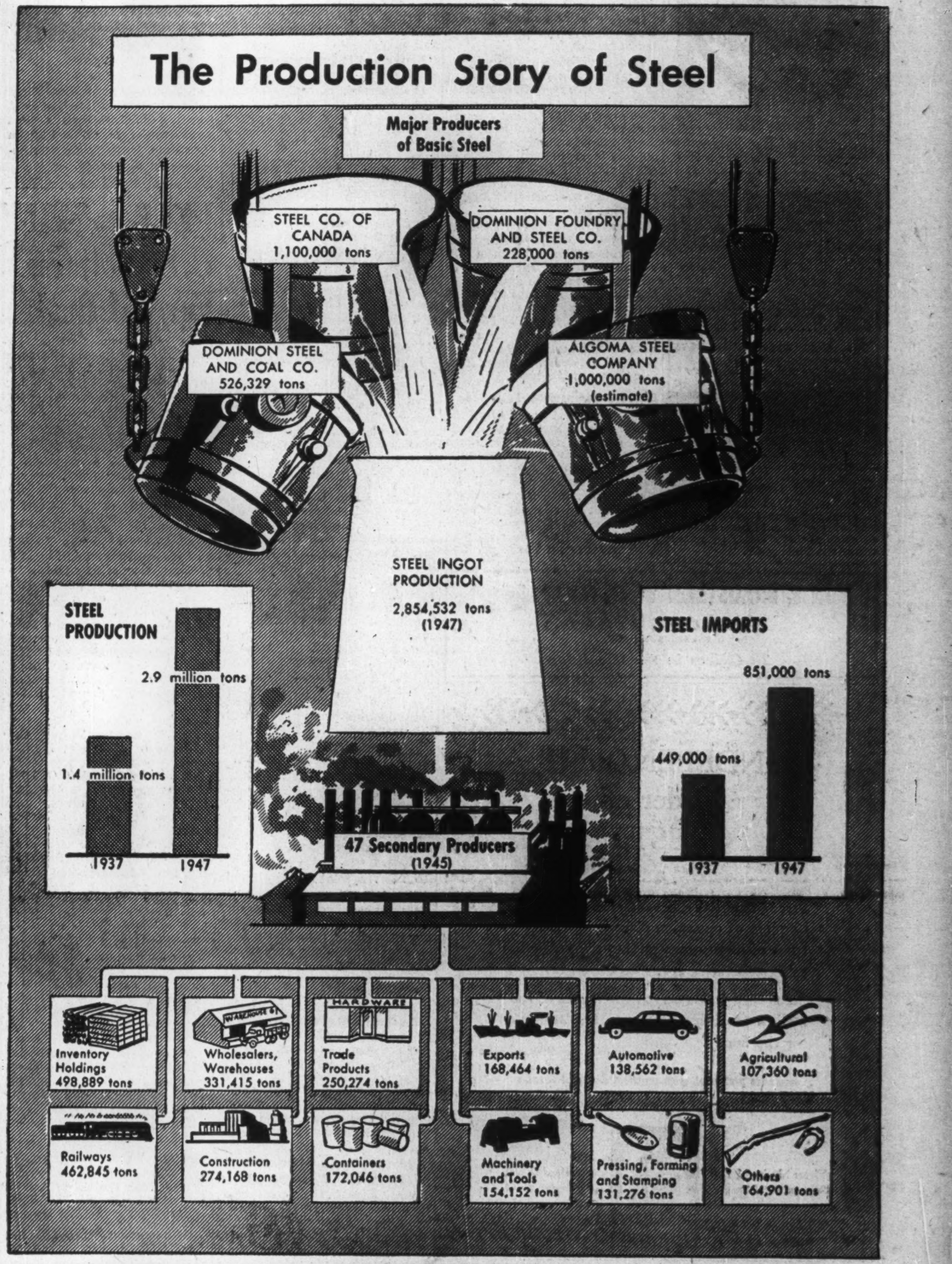
Peak production 1942: 2.95 million tons.

Ingot steel production has doubled in 10 years.

1948 production running 200 tons a day above 1947.

Biggest consumer in 1947: Canada's railways; 462,845 tons.

Imports in 1947 from U. S., 851,179 tons; in 1937, 449,000 tons.



Here's the Steel Industry's Roll Call

PIG IRON

Dominion Steel & Coal	Sydney
Algoma Steel	Sault Ste. Marie
Canadian Furnace	Port Colborne
Steel Company of Canada	Hamilton

FERRO-ALLOYS

Canadian Furnace	Port Colborne
Chromium Mining & Smelting	Sault Ste. Marie
Electro Metallurgical	Welland
St. Lawrence Alloys and Metals	Beauharnois

STEEL INGOTS AND STEEL CASTINGS

Maritime Steel & Foundries	New Glasgow
Dominion Steel & Coal	Sydney
Canadian Brake Shoe & Fdry.	Sherbrooke
Canadian Car & Foundry	Montreal
Canadian Tube & Steel Prod.	Montreal
Electric Steels	Cap de la Madeleine
Hull Iron & Steel Foundries	Hull
Joliette Steel	Joliette
La Compagnie F.X. Drolet	Quebec City
Lynn MacLeod Metallurgy	Thetford Mines
Manganese Steel Castings	Sherbrooke
Shawinigan Chemicals	Shawinigan Falls
Sorel Industries	Sorel
Sorel Steel Foundries	Sorel
Algoma Steel Corp.	Sault Ste. Marie
Atlas Steels	Welland
Burlington Steel	Hamilton
Canada Electric Castings	Orillia
Dominion Foundries & Steel	Hamilton
Fahralloy, Canada	Orillia
Federal Foundries & Steel	London
Ford Motor Company	Windsor
Kennedy & Sons	Owen Sound
Steel Company of Canada	Hamilton

STEEL INGOTS AND STEEL CASTINGS

Welland Electric Steel Fdry.	Welland
Manitoba Rolling Mill	Selkirk
Manitoba Steel Foundries	Selkirk
Vulcan Iron Works	Winnipeg
Dominion Bridge Company	Calgary
Riverside Iron Works	Calgary
Britannia Mining & Smelting	Britannia Beach, B.C.
Cons. Mining & Smelting	Tadanac, B.C.
Reliance Foundry	Vancouver
Vancouver Engineering Works	Vancouver
Westland Iron & Steel Fdries.	Vancouver
A-1 Steel & Iron Foundry	Vancouver
Victoria Machinery Depot	Victoria

HOT ROLLED IRON AND STEEL

Canadian Car & Foundry	Amherst
Dominion Steel & Coal	Sydney
Trenton Steel	Trenton
Canadian Tube & Steel	Montreal
Pack Rolling Mills	Montreal
Steel Company of Canada	Montreal
Algoma	Sault Ste. Marie
Atlas Steels	Welland
Burlington Steel	Hamilton
Dominion Foundries & Steel	Hamilton
Federal Foundries & Steel	London
Steel Company of Canada	Hamilton
Manitoba Rolling Mill	Selkirk
Dominion Bridge	Calgary

COLD ROLLED STEEL

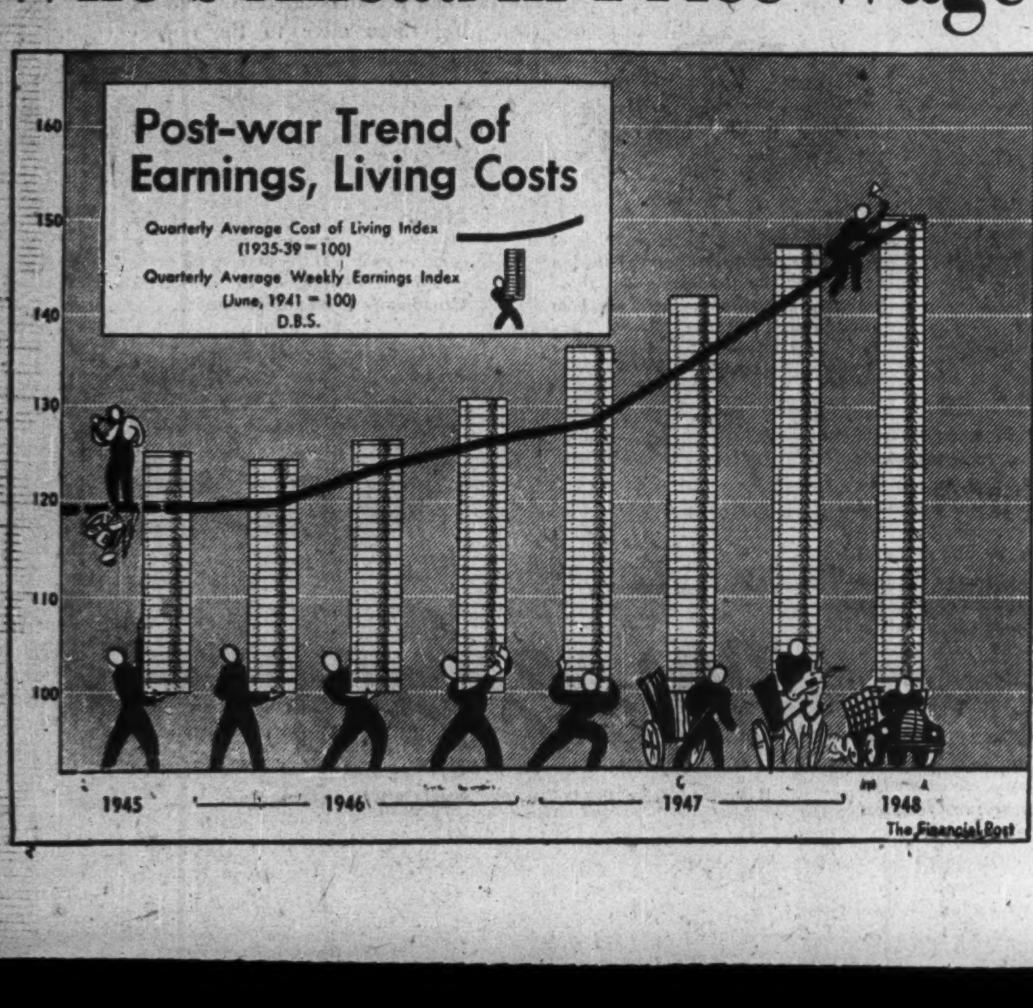
Stanley Steel	Hamilton

COLD DRAWN STEEL

Canadian Drawn Steel	Hamilton
Union Drawn Steel	Hamilton

Source: Dominion Bureau of Statistics.

Who's Ahead in Price-Wage Handicap



What is happening to the relationship between the cost of living index and earnings is depicted in the adjoining chart.

Since the end of the war the Dominion cost-of-living index continued to rise rather gently until the second four-month period of 1947, when a sharper upward trend began—culminating in the record high for May, 1948, of 152.1.

Plotted against this trend line, the weekly earnings index (of nine leading industries) shows an ever-increasing rise with a slight levelling off in the latter months of 1947 and early 1948. Caught by the sharper turnup of the cost-of living index, the earnings index seems likely to be surpassed in the next few months.

It must be emphasized that this is a mere portrayal of the relative trends in the two indices, it is not an accurate picture of any one person's earning, cost situation. The weekly earnings index being based on a later and more specific period (June, 1941, as against 1935-39 average), its trend line tends to be relatively lower than would be the case if the index was based on the same period as the cost of living.

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Annuity Rates Too High? Old Level Finds Champion

Pension Plan Consultant Claims Revised Interest Rate to Discourage Corporation Pension Plans — Administration Costs Insignificant

Before the Dominion Government's announcement in April that Dominion Government annuity rates would be increased, it had been maintained generally that the existing rates were too low; the whole plan accordingly was not sound; imposed an unfair burden on the general taxpayer who had to make good the annual deficits.

Sharp criticism of this view is contained in a brief submitted to Prime Minister King by William M. Mercer Ltd., of Toronto. The brief suggests that the recent increase be cancelled; that the maximum annuity purchasable be increased from $1,200 to $2,100; that 2¾% interest on premiums be allowed on annuity contracts surrendered before maturity date.

Almost simultaneous with the date of the brief, the Dominion Government brought in a bill authorizing cash surrenders of annuities under the authority of the Treasury Board and an increase in the maximum annuity purchasable from $1,200 to $1,500. The Mercer firm are consultants in the field of employees' retirement plans. Here is a digest of the brief.

Interest Comparison Fallacious

An argument used by the government to support the lowering of the annuities branch interest rate is that government bonds yield approximately 3% and the interest rate used for government annuities obviously should not be at great variance. The fallacy is that government annuities may not be compared with government bonds nor any other type of security. They are never redeemable in cash, may not be purchased in large quantities nor used as security for a loan and are not transferable. "A comparison of the previous government annuity rate of 4% with the current yield on other securities as justification for the government's action is therefore not valid."

Fewer and less generous retirement plans.

If continued, new government annuity rates will materially reduce the number of employees covered under retirement plans and reduce the benefits under plans subsequently established under other less favorable underwriting bases. The Canadian taxpayer will be required to pay the non-existent pensions and supplement the inadequate ones. To provide the same benefits at the same rate of employee contributions, under the new rates, as he would under the old, the employer's costs would be approximately 30% higher for his employees' past service pensions and 60% higher for their future service pensions.

Effect on present retirement plans.

Unless the employer pays the additional cost, new employees covered under previously instituted plans will get inadequate pensions. Even employees who have participated for many years under the old rates will suffer tremendous additional pension reductions, when they choose to extend life protection to their wives. The taxpayer will again be required to supplement their inadequate pensions. An increasing number of employees elect joint and survivorship annuities before retirement. The new rates result in drastic reduction in the pension otherwise provided by such an election. (Under this plan the employee receives a pension as long as he lives and after his death, his wife if still living receives the pension as long as she lives. The ordinary type of annuity does not protect the wife in this manner.)

Increase is inflationary

The higher rates will check the sale of government annuities drastically. The previous anti-inflationary force whereby the government collected more money for government annuities than it spent will be replaced by an inflationary one.

The Government Annuity Fund

To support the increase in rates it has been implied that government annuity premiums are irrevocably paid into a fund separate from other government funds from which all government annuity payments are made.

It is implied further that the value of this fund frequently becomes less than the present value of the future annuities to be paid and the government has been required to make frequent contributions to the fund. There is, in fact, no government annuity fund and the implication that the increase in rates was required to augment it, is therefore misleading.

Rate decrease contrary to trend of general interest rates.

Why should the government lower the rate for government annuities while the Bank of Canada is responsible for a rise in the yield on government bonds. Government bonds moreover are saleable, redeemable and can be used for collateral, privileges not available on annuities, yielding the same interest rate.

Effect on other Canadian Citizens.

The prohibitive increase in government annuity rates and the limitation on irregular premium payments have made it even less possible for the large group of farmers, domestic workers, small businessmen, and professional people to provide for their own retirement. The burden will fall on the Canadian taxpayer.

Cost of administration

Because of the absence of a large sales force and high commission expense and particularly because the actual administration of the annuities branch at Ottawa has been in the hands of a nucleus of interested, hard-working and highly efficient civil servants who had been able to retain the basic simplicity of government annuities, administration costs have been unbelievably low. Administration costs have approximated 1% of premium income. Insurance companies allocate 7½% of premium income from group business, and more from individual business. Administration costs are so low, they cannot be used to support an increase in rates.

Actuarial Basis

The new mortality basis incorporated in the increased rates is such that the government stands to make a substantial "mortality profit" from thousands of Canadian citizens. The government has forgotten that:

1.—the mortality of older people and not infant mortality and the life expectancies of young citizens who don't buy immediately maturing annuities is the important thing in determining rates.

2—the great volume of government annuity business is now in group retirement plans where life expectancies are much lower than in individual cases. The government has used a table more conservative and therefore more expensive for the annuitant than that used by Canadian and British companies for their group rates.

Government interest subsidies

The reduction in the government annuity interest rate and its detrimental effect on thousands of medium and low income Canadian citizens can hardly be supported in view of the government's subsidy to the great lending institutions by way of guaranteeing them against loss on certain loans bearing a relatively high rate of interest, and particularly since the government's action is in direct conflict with the intention of the Government Annuities Act, to promote thrift and encourage and aid people to make provision for their old age.

W. G. HICKS

of Montreal, general manager and director of Belding-Corticelli Ltd., has been elected president of the Silk and Rayon Institute, formerly the Silk Association of Canada.

FECB to Sell U.S. Dollars For Oil Deal

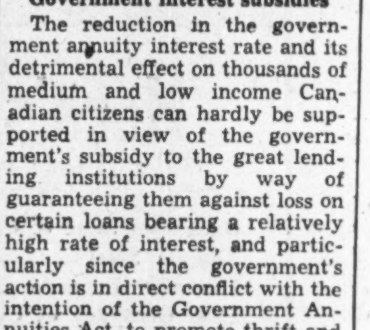
The Canadian Foreign Exchange Control Board has granted authority to holders of Imperial Oil purchase warrants (to buy International Petroleum shares at $9.20 a share U.S. funds) to obtain the necessary U.S. funds at any Canadian chartered bank. Funds will be obtainable upon completion and presentation of purchase warrants and letter of transmittal. Purchases of U.S. funds will be at prevailing buying rate on day of purchase.

Registered shareholders of Imperial Oil of record June 18 will receive by mail early in July purchase warrants by which they will be entitled to buy Imperial Oil's holdings of International Petroleum stock on the basis of 32 shares of International Petroleum for every 100 shares of Imperial Oil. Holders of Imperial bearer share warrants will procure their purchase warrants on application to Montreal Trust Co. at its Halifax, Montreal, Toronto, Winnipeg, Calgary or Vancouver offices on or after July 3. Offer will expire at 3 p.m. Sept. 30, 1948.

Standard Oil Co. (N.J.) is making, concurrently with Imperial's offer, an offer to all shareholders of International Petroleum, other than Imperial, to exchange their shares for shares of Standard Oil (N.J.) at the rate of three Standard for each 20 shares of International Petroleum. This exchange offer will include those persons who become shareholders under current Imperial Oil offer. This offer will terminate Jan. 31, 1949.

Standard Oil intends also to take full advantage of the opportunity to purchase additional shares of International (those not purchased under Imperial's offer to shareholders). The maximum number of shares of International Petroleum which could be so purchased by Standard is 2,680,830, which is approximately 44 1-3% of the (6,047,360) shares of International which Standard will purchase under the pro-rata offering. The pro-rata offering of 6,047,360 represents 41.64% of International's outstanding shares.

Accompanying the purchase warrants to Imperial shareholders will be a copy of prospectus issued by Standard Oil (N.J.) relating to its capital stock and to International Petroleum. Also included will be a letter of transmittal for use in exercising purchase rights and a copy of the Standard Oil (N.J.) offer to exchange its shares for those of International Petroleum.



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Ontario Life Insurance About 45% Canada Total

Life insurance in force in Ontario with the regular line companies on Dec. 31, 1947 totalled, $5,626 millions gross. If reinsurance is deducted the total is $5,446 millions, approximately 45% of the total for all Canada.

The preliminary figures issued by Roy B. Whitehead, provincial superintendent of insurance, show an increase of about $544 millions of business in force over 1945. Mr. Whitehead's figures include both Dominion and provincial licensed companies.

Total new insurance in 1947 was almost $696 millions ($678 millions in 1946).

Disbursements under life insurance and annuity contracts in 1947 were $81.4 millions ($77.6 millions in 1946).

Forty-nine companies are listed as doing life insurance business in the province 35 joint stock, 11 mutual and three other. Two of those listed, however, while having insurance in force did not write any new insurance during the year, having been inactive in this respect for some years.

Figures for the various companies in 1947 as reported by the Ontario Department of Insurance follow.

	Gross in Force Dec. 31, 1947 $	Reinsurance $	Gross in Force Dec. 31, 1946 $	New Insurance in1947 $
JOINT STOCK:				
Aetna	130,256,895	3,071,810	113,370,518	8,907,099
Canada	373,339,636	25,406,709	334,115,828	41,512,215
Commercial Life	7,845,809	5,000	7,169,969	2,310,474
Commercial Union	17,421	....	21,372	....
Confederation	212,375,265	15,225,950	188,531,494	25,991,031
Connecticut General Life	3,070,183	9,818	922,458	366,282
Continental Insurance	40,380,474	2,198,543	36,259,792	6,322,744
Crown	113,778,717	4,357,979	101,427,934	17,558,265
Dominion	115,537,892	7,735,604	104,311,911	15,852,342
Dominion of Canada General	18,146,399	3,155,490	16,165,629	2,801,347
Eaton, T.	23,251,666	3,118,806	21,496,448	2,723,581
Empire	42,472,880	1,073,953	39,376,136	7,413,283
Equitable of Canada	46,836,911	3,914,763	43,055,855	6,086,551
Excelsior	88,616,729	3,931,717	81,887,201	11,318,808
Great-West	228,082,093	3,608,860	205,317,697	31,054,736
Imperial	178,040,015	10,540,528	156,765,869	25,281,677
Industrial Life	544,461	....	33,740	202,739
Laurentian Life	971,123	23,252	755,457	370,815
Liverpool & London & Globe	50,156	....	46,018	....
London	945,319,980	44,443,887	847,069,692	139,936,232
Loyal Protective	536,320	7,068	438,336	122,537
Manufacturers	205,564,588	3,135,339	184,299,512	23,945,335
Monarch	34,457,992	1,612,687	30,544,436	5,543,027
Montreal	23,266,225	1,048,476	20,938,493	4,017,369
National of Canada	29,003,277	2,472,225	25,472,379	4,718,269
Northern	44,782,175	....	40,370,956	6,796,792
Occidental	32,589,683	35,510	23,729,679	11,113,007
Les Prevoyants du Canada	711,426	....	434,098	388,885
Prudential of England	57,055,049	254,124	45,047,186	11,855,174
Royal	8,939,090	436,867	8,559,908	716,183
Sauvegarde	8,211,404	521,147	7,811,844	948,000
Sovereign	23,862,935	....	21,053,127	4,189,801
Sun Life of Canada	450,852,933	5,739,955	413,470,480	37,713,896
Travelers of Hartford	80,309,614	....	68,607,411	9,951,553
Western	5,000,813	398,686	4,770,567	660,761
MUTUAL:				
Caisse Nationale d'Assurance-Vie	355,476	13,460	251,665	64,500
Co-operative Life Insurance Co.	975,685	....	....	675,185
Cuna Mutual	7,711,417	....	4,320,483	627,556
Equitable Life of U. S.	18,992,031	....	13,341,657	4,154,768
John Hancock	816,150	....	479,200	254,000
Metropolitan	819,710,125	....	758,212,095	79,677,277
New York	39,351,391	39,100	38,952,937	2,096,700
Prudential of America	487,410,657	....	456,275,302	58,630,950
Royal Guardians	2,877,344	10,973	2,856,502	240,378
Standard	18,457,950	....	16,205,280	2,205,474
Toronto Mutual	18,648,424	98,265	16,249,594	4,669,951
OTHER:				
Mutual Life of Canada	473,152,446	25,750,506	434,052,112	51,176,242
North American	161,976,162	6,089,610	148,076,836	22,169,430
Norwich Union Life	606,490	....	45,748	560,342
Totals	5,626,119,977	179,486,667	5,082,968,861	695,893,545
Totals for 1946	5,082,968,861	158,423,139	‡4,537,464,924	678,245,853

‡1945.

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125,000 APPLICATIONS were on file in Ontario House, London, when Ontario began its immigration plan. It has been estimated that at least 80% of the displaced persons in Germany want to emigrate to Canada.

SIGNIFICANT, too, is the number of new plants established here by foreign firms. Specially interesting are those built up by wartime refugees, of whom about 3,500 entered Canada. They established at least 56 new industries employing over 6,000.

CANADA is increasingly attractive for visitors too! More tourists than ever came to us in 1947 — making an ever-growing contribution to continued Canadian progress and prosperity.

LOUIS FISCHL; escaping from Czechoslovakia, came to Canada in 1938 — began manufacturing kid gloves in an old renovated Ontario factory. Canadians joined his original handful of skilled Czech workers to learn the new art. Today thousands of pairs of finest Canadian high-fashion gloves, in leather and in fabrics, are being produced both in Prescott, Ont. and St. Tite, Que., their new branch.

LOUIS FISCHL says: *"When I knew I was finished with Europe and had to begin a new life at 50, Canada was the country to which I was most anxious to come. Here there is a future. Here is everything needed for industry; vast resources for development; great opportunities for new careers".*

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Treatment of Cash Discounts in Financial Statements and Accounting Records

Is the T2 Questionnaire Still Necessary?

Education for Business at the University of Western Ontario

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Should Repeal Agency Regul'n Says H. C. Mills

Claims WCIUA Rule Works Hardship for Western Agents

At the annual meeting of the Western Canada Insurance Underwriters' Association at Minaki last week, a resolution that the existing nonintercourse rule be repealed was submitted for consideration. (The nonintercourse-rule provides that no (company) member of the association will deal with an insurance agent who represents any other company not a member of the association, or places any nontariff business until all other means of obtaining the insurance have been exhausted. It has been in effect in Western Canada for some time).

One of the supporters of the resolution was the Insurance Co. of North America and in a memorandum H. C. Mills discusses the reasons for asking abrogation of the regulation. Here is a digest of his memorandum.

Why should the rule be repealed?

Today the need of insurance protection is so far reaching that the producing forces, both agents and brokers, frequently must exhaust every possible market to obtain the necessary coverage on many risks, and these non-intercourse rules break down before such a demand on the part of the public. Yet the agents know the rule has not been rescinded and can well be understood to dislike the postion in which they find themselves. No decent self-respecting person likes to be forced into being a rule or law-breaker. The rule was created to be a defense against the competition of so-called non-tariff companies whether mutual stock or reciprocal.

In these times it would seem that insurance companies could far better look to their sound underwriting and fair and prompt loss settling as the best security for their respective shares of available business. It is hardly a gracious act for companies to hold this weapon of the non-intercourse rule over the heads of their agents as a means of controlling competition. If representatives (or the agents) of insured interests feel they want to do business with any licensed company they should be able to do so without incurring any penalties from other organized insurance markets.

How widespread is this rule?

We in Western Canada have lived for generations within these provinces looking over to Ontario and Quebec, who have never adopted the non-intercourse rule and where both the agent and companies' daily practice is to do business with any market. Has the absence of this governing rule in Eastern Canada, and in the United States, (where such a rule has been abrogated) injured or destroyed the business? The answer obviously is No. Therefore why do we in this one remaining geographical section of this continent cling to such a form of regulation when we know that particularly in casualty and marine circles, agents are free to deal in any market.

How does the rule affect the agent?

While it is true under all our insurance laws the insurance companies have the right to pick and choose persons they appoint as agents, yet each person, before he can do business, must get a license from the government and meet the statutory test for such license. The license as an insurance agent usually recognizes the license holder as competent and trustworthy to represent anyone as an agent. But the non-intercourse rule curtails the privileges to act as an agent.

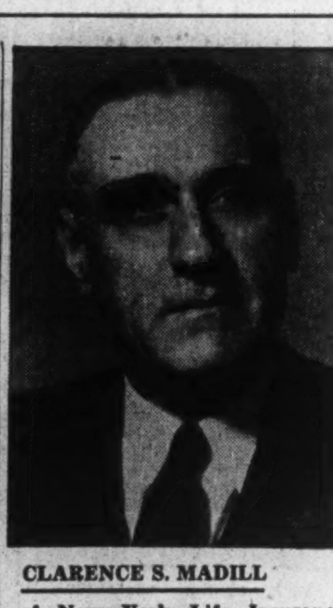
If the agents don't choose to accept the rule it would be expected that the member companies of the association would not let the agents represent them any longer and so the agents before refusing to accept the rule must consider whether they can exist or not, if they lose the agency representation of the member companies of the association. If the member companies are strong enough and there are no outside markets or not enough of them to take the place in the agents' offices of the companies that they would give up if they did not accept the ruling, the economic pressure would usually decide the agents to accept the rule.

Does it affect the public interest?

It is a question if the rule in supplementing and curtailing privileges of the licensed agents has not contravened the public interest and the rights of licensed agents to act freely at least within the privileges of their license.

Today everywhere the public interest is making great demands on the insurance business. Our agents and all of them must be freed from a very selfish rule if we expect as we do their help in bringing the service of insurance to our people.

CAMSELL RIVER SILVER MINES says that uranium oxide was encountered across 20 ft. in initial trench. Abundant oxidization was also reported 30 to 200 ft. south of this trench, as well as in a number of places 900 ft. north of the trench.



CLARENCE S. MADILL

of New York Life Insurance Co., has been elected president of the Life Underwriters Association of Montreal.

TSE Short Position Down

The semi-monthly short position report of the Toronto Stock Exchange as of June 15 shows the aggregate short positions, eliminating odd lots, on the books of member firms at 498,770 shares of 136 issue compared with 542,540 shares of 139 issues on May 31.

Largest changes in individual mining stocks were: Thurbois 80,600 shares, up 9,000; Osulake 5,000, down 15,000; Dulama 6,000 down 7,500; Buffadison 8,000, down 6,000; Eureka 47,300, down 5,700; Eldona, 58,800, down 5,600; Louvicourt, 9,000, down 4,500; MacDonald 13,800, down 4,300; Duquesne 500, down 3,000; Magnet, 3,000, down 3,000.

In the industrial list, largest changes included International Petroleum 1,200, down 1,400; Canadian Breweries 3,055, up 955; Abitibi 750, up 525; Consolidated Paper 500 shares; Algoma Steel 425, up 400 and CPR 830, up 200.

Stock:	Shares	Stock:	Shares
Abitibi	750	Joliet Que.	500
Algoma Steel	425	Kenville	1,500
Aluminium	50	Kerr-Addison	900
Amal. Larder	4,000	Kirk. Hud. B.	500
Ang. Cdn. Oil	1,300	Kirk. Lake	2,500
Anglo-Rouyn	1,500	Labrador	5,400
Area	1,000	Laguerre	5,000
Armistice	5,000	Lake Dufault	900
Argus Corp.	1,175	Lake Wasa	3,500
Atlas Steel	100	Lamaque	100
Base Metals	11,500	Laura Secord	225
Bevcourt	1,000	Lingman L.	1,000
Bidgood K.	500	Little L. Lac	2,500
Br. & Millen A.	200	Loblaw B	50
B. C. Forest P.	700	Louvicourt	9,000
Br. Dominion	500	Lunward	1,000
Brown Co.	200	Macassa	4,800
Buffadison	8,000	MacDonald	13,800
Buff. Anker.	300	MacL. Cock.	3,000
Calgary & Ed.	4,200	MacMillan B	200
Callinan F. F.	1,000	Madsen R. L.	500
Calmont Oil	500	Magnet Cons.	3,000
Campbell R. L.	200	Malartic G.	1,500
Cdn. Brewer.	3,055	Mid-Cont. Oil	500
C. Ind. Alc. A	400	Mining Corp.	500
CPR	830	M. & O. Paper	750
Cdn. Vickers	25	Negus	14,400
Cent. Porc.	500	Nicholson	1,000
Chesterville	3,700	Normetal	1,700
Cochenour	1,200	North Inca	3,000
Coniaurum	500	O'Brien	1,600
Cons. Paper	,500	Ogama-Rock.	500
Conwest	100	Okalta Oil	6,100
Detta R. L.	4,000	Osisko Lake	7,000
Discovery	2,000	Osulake	5,000
Diversified	3,000	Pacific Pete.	1,000
Dome	100	Pamour	500
Dom. Coal Pr.	125	Pend Oreille	3,000
Dom. Magnes.	200	Pen-Rey	1,000
Dom. Stl. B	1,100	Pickle Crow	700
Donalda	11,600	Pr. E. Dome	2,000
Dulama	6,000	Qu. Labrador	1,500
Duquesne	500	Queenston	7,500
East Malartic	1,500	Quemont	600
East Sullivan	9,400	Roxana Oil	1,000
Elder	500	Rupununi	8,000
Eldona	58,800	St. Law. Corp.	200
Eureka	47,300	San Antonio	700
Famous Play.	100	Sher. Gordon	17,300
Fanny Farmer	200	Silanco	500
Foothills Oil	400	Springer Stur.	500
Giant Y'knfe	16,185	Steep Rock	6,400
Golden Man.	200	Surf Inlet	1,500
Gr. Lakes P.	400	Sylvanite	100
Guayana	1,000	Thompson-L.	500
Gulf Lead	4,400	Thurbois	80,600
Hedley Masc.	1,000	Union Gas	300
Hollinger	400	United Fuel B	100
Home Oil	2,100	United K. Hill	100
Hosco	1,500	United Steel	200
Hudson Bay	100	Upper Canada	100
Imperial Oil	100	Ventures	300
Indian Lake	500	Waite Amulet	550
Int. Nickel	50	Walker G.&W.	25
Int. Paper	300	Wiltsey Cogh.	2,000
Int. Petrol.	1,200	Winnipeg El.	700
Int. Uran'm	21,200	Yellorex	500
Jason	2,500		
Joburke	500	Total	498,770

Staff Changes

THE CANADIAN BANK OF COMMERCE announces the following staff changes:

W. H. R. SAVAGE, manager, Sault Ste. Marie, Ont., to manager, London, Ont.

L. ASHFORTH, manager, Cobourg, Ont., to be manager, Sault Ste. Marie, Ont.

K. A. Gardner, an assistant inspector at head office, Toronto, to be an assistant manager, Toronto.

J. E. Keyes, manager, London, Ont., to be manager, Yonge & Queen, Toronto.

* * *

THE BANK OF NOVA SCOTIA announces the following staff changes:

J. H. RECTOR, to be manager, Sydney, N.S.

F. A. DUHAMEL, to be manager, Maniwaki, Que.

W. A. WOODBURN, to be assistant manager, Queen & Church, Toronto.

A. M. HURST, to be accountant at Haileybury, Ont.

R. H. SMITH, to be accountant, Truro, N.S.

E. de UGARRIZA, to be assistant accountant at Camaguey, Cuba.

KAYRAND MINING & DEVELOPMENT CO. has received payment for June 16 underwriting on 25,000 shares at 10 cents a share. Issued capital—2,653,006 shares.

Banks' Foreign Loans and Deposits Show Substantial Rise Since Prewar

Although the foreign business of the Canadian chartered banks represents a relatively small proportion of the total (about 10% to 12%), it is nevertheless substantial in actual dollar volume, and is believed to be fairly profitable.

On April 30, for example, deposits abroad with all Canadian chartered banks aggregated $723 millions, out of a total of $7.2 billions; while foreign loans were $295 millions out of a total of $2.3 billions.

This foreign business is distributed by branches or wholly owned subsidiaries in Britain, the United States, France, the West Indies, Cuba and Latin America.

Distribution of these foreign branches is United Kingdom 7, United States 11, France 2, Cuba 24, British West Indies 41, Central and South America 21.

The great proportion of the business is done in the United States, Cuba, the West Indies and Latin America it is believed, although Canadian banks, actually, either through their own branches or their correspondents, do business all over the world, through letters of credit, etc., financing travelers' expenses, and export and import transactions.

Much of the call loan business it is understood is transacted in the United States in connection with the stock exchanges and the commodity markets there.

Business in Cuba, the West Indies and Latin America is of a fairly general nature, accepting deposits, making loans, etc. In the latter there is quite a resemblance to the Canadian business in that it has its seasonal curves, due to the harvesting of the crops. Sugar is perhaps the main crop in the West Indies, Cuba and parts of Latin America. Coffee is the other big crop although, of course, there are others including fruits, nuts, petroleum, etc.

In the various areas, loans rise and fall with the crops much as they do in Western Canada with the wheat crop. The sugar crop this year, especially in Cuba, is understood to have been a large one. In fact it is predicted by some that due to liberal supplies marketing may be rather slow although demand might easily upset such expectations. A good world demand for sugar, coffee and other products is expected to result from the Marshall Plan.

This foreign business of the banks to quite an extent is carried on separately from the Canadian business. In some instances, it is understood, the foreign branches are operated as if they were practically another bank.

The accompanying table shows how the three items, call loans, current loans and total deposits as at April 30 compare with the same date in 1947 and in 1939, before the war began. The latter comparison shows how the Canadian banks' foreign business has expanded in nine years.

Banks' Business Outside Canada at Apr. 30

	1948	1947	1939
	Thousands of $		
Call loans ...	74,273	79,031	43,929
Current loans	221,252	200,489	143,289
Deposits	723,253	789,245	467,875

All items are substantially higher than prewar but call loans and deposits are slightly lower than last year. Current loans, however, show about a 10% increase.

Foreign Exchange

Before the war, foreign exchange transactions were an important source of revenue to the banks, especially those with foreign branches. Establishment of the Foreign Exchange Control Board, however, took this function away, and the banks now act as agents of the board working on a fractional commission. While this change in their operations has to some extent restricted their profits, it has also ensured them against loss; and, on the whole, foreign exchange transactions are still an important source of revenue to the banks.

Apart from facilitating trade between Canada and the countries in which they are located, the foreign branches of the banks have helped to make the name of Canada known abroad.

BANK OF CANADA

Liabilities	June 16, 1948 $	June 9, 1948 $
Capital paid-up ..	5,000,000	5,000,000
Rest fund	10,505,367	10,050,367
Notes in cir.	1,196,936,254	1,199,194,259
Deposits: Dom. .	155,012,532	154,584,633
Chart. banks .	512,284,650	525,573,668
Other	103,859,653	100,517,838
Total deposits ..	771,156,745	780,676,139
Liabs. payable in sterling U.S.A. and for'n. gold currencies:		
Deposits	183,591	183,591
All other liabs. .	14,782,416	14,837,482
Total liabs.	1,998,109,373	2,009,941,838
Assets		
Sterling & for'n. exchange	183,591	183,591
Other currencies	114,632	83,645
Total	298,223	267,236
Subsid. coin. ..	202,849	187,055
Investments:		
Dom. govt. sh.	1,155,806,322	1,164,849,579
Oth. Dom. gov.	786,227,722	784,029,055
Total invest. ..	1,942,034,044	1,948,878,634
Ind. dev. bank Total share cap. at cost	25,000,000	25,000,000
Premises	2,412,287	2,411,507
All other assets	28,161,970	33,197,406
Total assets	1,998,109,,373	2,009,941,838

CALLINAN FLIN FLON MINES has received payment for June 15 installment of 50,000 shares at 10 cents a share. In consideration of a further payment of 50,000 shares at 10 cents, balance of option on 20,0000 shares at 15 cents has been amended to provide for an option on 150,000 shares at 10 cents, exercisable by Sept. 13. Issued capital—2,238,740 shares.

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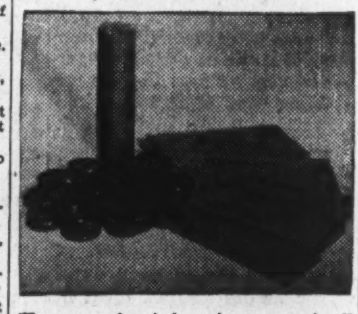

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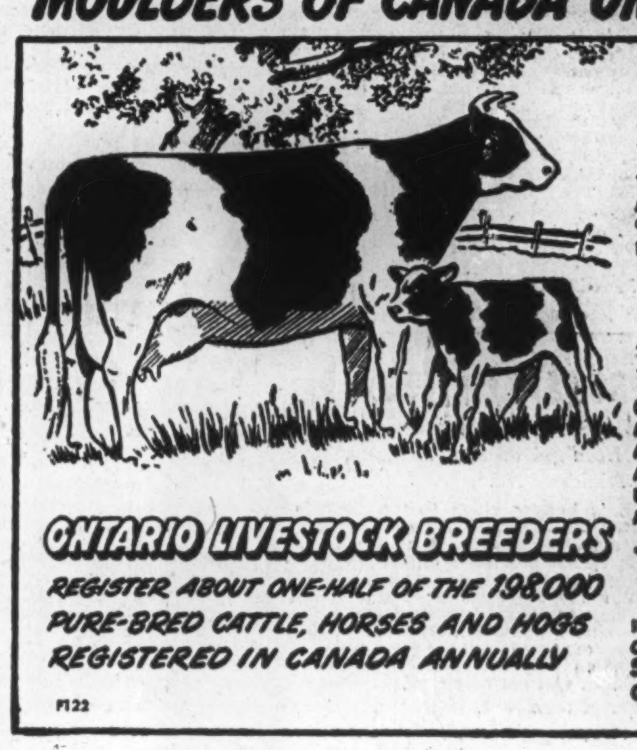
MOULDERS OF "CANADA UNLIMITED"


TRANSFER OF OWNERSHIP IS MADE IN ONTARIO FOR ABOUT 90,000 PURE-BRED CATTLE, HORSES AND HOGS EACH YEAR
ONTARIO PROVIDES MOST OF THE MEMBERSHIP FOR THE LARGEST AND WEALTHIEST BREEDERS' ASSOCIATION IN THE BRITISH EMPIRE—HOLSTEIN-FRIESIAN ASSOCIATION OF CANADA
IN 1946 CANADIAN REGISTRATION OF HOLSTEIN CATTLE NUMBERED 52,907 OF WHICH 4/5 WERE ONTARIO OWNED

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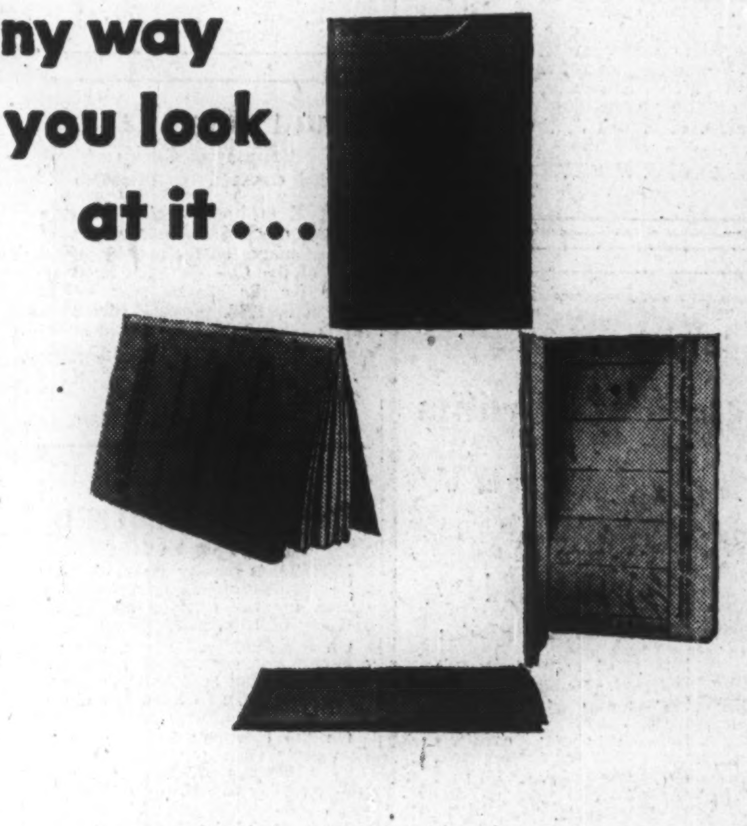

Viewed from any angle, your savings account passbook is the cornerstone of your future security.

Money in the bank is more than just tangible evidence of a good and thrifty habit. It's the solid foundation of self-respect and self-reliance and peace of mind. Saving a specific amount regularly every week or every month isn't difficult once you've made a determined start. Then too, such things as maturing War Savings Certificates, dividends, refundable income tax cheques, gifts, bequests and unexpected windfalls can add substantial sums to your established savings.

THE BANK OF NOVA SCOTIA

DIVIDEND NOTICES

The Canadian Bank of Commerce

DIVIDEND NO. 246

NOTICE is hereby given that a DIVIDEND OF TWENTY CENTS per share on the paid-up Capital Stock of this Bank has been declared for the quarter ending 31st July, 1948 and that the same will be payable at the Bank and its Branches on and after MONDAY, the SECOND day of AUGUST next, to Shareholders of record at the close of business on 30th June, 1948. The Transfer Books will not be closed.

By Order of the Board.

JAMES STEWART,
General Manager.
Toronto, 4th June, 1948.

Dominion Glass Company Limited

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of June, 1948.

Notice is also hereby given that a dividend of Twenty-five cents (25 cents) per share has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of June, 1948.

The above Dividends will be paid on Thursday, the 15th day of July, 1948, to shareholders of record at the close of business Monday, the 28th day of June, 1948.

By Order of the Board.

F. N. DUNDAS,
Secretary
Montreal, 27th May, 1948.

SUPERTEST Petroleum Corporation Limited

NOTICE OF DIVIDENDS

"B" PREFERRED

A half-yearly dividend at the rate of 6% per annum on the Class "B" Preferred stock of this Corporation for the half-year ending June 30th, 1948, has been declared, payable July 15th, 1948, to shareholders of record at the close of business June 25th, 1948.

COMMON AND ORDINARY

The Board of Directors has declared a half-yearly dividend of $1.00 per share on the Common and Ordinary stocks of this Corporation for the half-year ending June 30th, 1948, payable July 15th, 1948, to shareholders of record at the close of business June 25th, 1948.

SHARE WARRANTS

Share Warrant holders will present coupons, serial number 37, to the Canadian Bank of Commerce, London, Ontario, and branches in Ontario and Quebec, on and after July 15th, 1948, where payment will be made at par.

By Order of the Board,

JAMES D. GOOD,
Secretary-Treasurer.
London, Ontario, June 14th, 1948.

DIVIDEND NOTICES

DOMINION COAL COMPANY, LIMITED

DIVIDEND NOTICE

Notice is hereby given that subject to obtaining the approval of the Foreign Exchange Control Board of Canada a dividend of 75 cents per share on the outstanding 6% Cumulative Sinking Fund Preferred Stock of this Company has been declared payable on 21st July, 1948 to shareholders of record at the close of business on 23rd June, 1948, said dividend being the regular quarterly dividend of 37 cents per share for the quarterly period ending June 30th, 1948, plus a payment of 38 cents per share on account of arrears of accumulated dividends on such Preferred Stock.

By Order of the Board,

R. C. McDONALD,
Secretary.
Montreal, P.Q.,
June 10, 1948.

Dominion Steel and Coal Corporation Limited

DIVIDEND NOTICE

Notice is hereby given that subject to obtaining the approval of the Foreign Exchange Control Board of Canada a dividend of 25 cents per share on the outstanding Common Class "B" shares of the Capital Stock of the Corporation has been declared for the half-yearly period ending June 30th, 1948, such dividend to be payable on July 21st, 1948, to shareholders of record at the close of business on June 23rd, 1948.

By Order of the Board.

R. C. McDONALD,
Secretary.
Montreal, P.Q.,
June 10, 1948.

The Canadian Converters' Company Limited

DIVIDEND NOTICE

Notice is hereby given that the Quarterly Dividend of 18¾ cents per share on the Class "A" shares of $20 Par Value of the Capital Stock of the Company, has been declared for the Quarter ending July 31st, 1948, payable July 31st, 1948, to Shareholders of record at the close of business, June 29th, 1948.

By Order of the Board,

THOS. M. BARRINGTON, F.C.I.S.,
Secretary-Treasurer.
Montreal, June 16th, 1948.

McIntyre Porcupine Mines, Limited

(No Personal Liability)

DIVIDEND NO. 128

Notice is hereby given that a dividend of fifty and one-quarter cents (50¼c) per share in Canadian currency will be paid on September 1, 1948, to shareholders of record at the close of business August 3, 1948.

By Order of the Board.

W. B. DIX,
Treasurer.
Dated at Toronto, June 15, 1948.

DIVIDEND NOTICES

THE DOMINION BANK

DIVIDEND NO. 263

Notice is hereby given that a dividend of two and one-half per cent (twenty-five cents per share) upon the paid up capital stock of this Bank has been declared for the quarter ending 31st July, 1948. The dividend will be payable at the Head Office of the Bank and its Branches on and after Monday, the second day of August, 1948, to shareholders of record of the 15th July, 1948.

By Order of the Board.

ROBERT RAE,
General Manager.
Toronto, 10th June, 1948.

DONNACONA PAPER COMPANY LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of $1.125 per share has been declared on the Cumulative Convertible Redeemable Preferred Stock of the Company for the quarter ending August 15th, payable August 16th, 1948, to shareholders of record on the 15th day of July, 1948.

By Order of the Board.

P. L. FITZGERALD, C.G.A.,
Secretary.
Quebec City, P.Q.,
June 18, 1948.

SIMPSONS, LIMITED

Class "A" Shares
Without Nominal or Par Value
Dividend No. 14

NOTICE is hereby given that a dividend for the current fiscal year of the Company of Seventy-five cents (75c) per share on the outstanding paid-up Class "A" Shares Without Nominal or Par Value of the Company has been declared payable August 25, 1948, to shareholders of record as at the close of business on July 23, 1948. The transfer books will not be closed.

By Order of the Board.

Frank Hay,
Secretary
Toronto, June 18, 1948.

SIMPSONS, LIMITED

Class "B" Shares
Without Nominal or Par Value
Dividend No. 4

NOTICE is hereby given that a dividend for the current fiscal year of the Company of One Dollar and fifty cents ($1.50) per share on the outstanding paid-up Class "B" Shares Without Nominal or Par Value of the Company has been declared payable August 25, 1948, to shareholders of record as at the close of business on July 23, 1948. The transfer books will not be closed.

By Order of the Board.

Frank Hay,
Secretary
Toronto, June 18, 1948.

General Products Mfg. Corporation Limited

DIVIDEND NOTICE

Notice is hereby given that a semi-annual dividend at the rate of 5% per annum on the Preferred Shares of the Company for the half year ending June 30, 1948, has been declared, payable July 15, 1948, to shareholders on record at the close of business, June 28, 1948.

By Order of the Board,

J. G. THOMPSON,
Secretary-Treasurer.
London, Ontario,
June 18, 1948.

Guaranty Trust

Company of Canada

52nd CONSECUTIVE DIVIDEND

NOTICE is hereby given that a dividend of 1¼%, being at the rate of 5% per annum on the paid-in capital stock of the Company, has been declared for the quarter year ending June 30th, 1948, payable July 15th, 1948, to shareholders of record at the close of business June 30th, 1948. By order of the Board

J. WILSON BERRY,
President & General Manager

PENMANS LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of July, 1948.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 2nd day of August to Shareholders of record of the 2nd day of July, 1948.

On the Common Stock, seventy-five cents (75c) per share, payable on the 16th day of August to Shareholders of record of the 15th day of July, 1948.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.
Montreal,
June 14, 1948.

STELCO

THE STEEL COMPANY OF CANADA, LIMITED

PREFERENCE DIVIDEND No. 148

Notice is hereby given that a dividend of seventy-five cents (75¢) per share on the Preference Shares of the Company has been declared for the quarter ending June 30, 1948, payable August 2, 1948, to shareholders of record at the close of business July 7, 1948.

By Order of the Board,

H. S. ALEXANDER,
Secretary.
Hamilton, Canada, June 16, 1948.

STELCO

THE STEEL COMPANY OF CANADA, LIMITED

ORDINARY DIVIDEND No. 126

Notice is hereby given that a dividend of seventy-five cents (75¢) per share on the Ordinary Shares of the Company has been declared for the quarter ending June 30, 1948, payable August 2, 1948, to shareholders of record at the close of business July 7, 1948.

By Order of the Board,

H. S. ALEXANDER,
Secretary.
Hamilton, Canada, June 16, 1948.

CANADIAN VICKERS LIMITED

PREFERRED SHAREHOLDERS

Notice is hereby given that a dividend of one and three quarters per cent (1¾%) for the quarter ended July 31st, 1948, being at the rate of 7% per annum on the paid up cumulative preferred shares of this company, has been declared and will be paid on the second day of August next to preferred shareholders of record at the close of business on July 10th, 1948.

(Signed) J. W. SAVIDANT,
Treasurer.
Montreal, June 15th, 1948.

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City and Prov. CS-4

Critical Days Are Ahead For the Prairie Farmers

By GORDON L. SMITH

WINNIPEG—(Staff)—These are critical days for the Prairie farmer and the millions of people who look to him for bread.

Everything depends upon rain. A general "soaker" within the next fortnight would almost guarantee a good crop. Without it there is little hope of anything above average and if the present cool dry weather is replaced with a heat wave, then crop failures over a large area are almost certain.

Really hot dry weather is the kind most feared just now. Growth is still young and tender, owing to abnormally late seeding, and the crop would shrivel quickly if exposed long to temperatures above the 90 mark. Given another week or two of cool weather, and some rain, the roots will have a chance to get down into the soil where they will be protected, and have access to the abundant subsoil moisture.

Effect of Delayed Seeding

Because of the late start the western grain crops have one strike against them. Normally seeding is completed early in May. This year farmers were still hard at it early in June. If this season's seeding was not the latest on record it was very close to it.

Now it is possible to get a good harvest from a late-sown crop, but late summer weather must be unusually favorable. Grain requires a minimum number of days to grow and mature. If it is cut short in the spring it must get extra time in the fall. That is why Prairie farmers like to get their wheat in early, otherwise they risk a killing frost before harvest.

Because they couldn't sow their wheat early this year, some of them substituted quicker maturing barley or something else. A few along the rivers, too, were flooded out. Speaking generally probably a million less acres were sown to wheat this year, than would have been had the spring weather been normal. That's a drop of somewhere around 5%. Such a reduction in acreage means very little especially when the very thing that caused it—excessive spring rains and snow—added invaluable moisture for the crop as a whole.

It's the same thing with floods or hail. While local damage from these is devastating, the effect on total crop is insignificant. Indeed because both mean more moisture generally, they are usually regarded as favorable crop factors. But when seeding is delayed until June, as it was this season, that is carrying a good thing too far.

Have Moisture Reserves

This spring's rain and snow, however, did build up subsoil reserves. These are more abundant than they have been for years. A few inches below the surface of the soil, throughout most of the Prairies, there is moisture. The problem just now is to bring the growing roots of the grain plant into contact with that moisture. For this, general rains and a continuation of cool temperatures are essential.

Since seeding, weather has been generally favorable. Only once did the mercury threaten to stay too high, and there were sufficient scattered showers to hasten germination. As a result the crop, though late, has started off well, better than most observers dared hope a few weeks back. It has stooled out well; that means each seed has pushed up three or more stems, on which, in favorable weather, full long heads of grain could develop. That is what happens when weather and other conditions combine to produce a bumper crop. Each stool develops a full head of heavy grain.

On the other hand if the weather is not favorable, especially if there is a searing heat wave, the wheat plant tries to protect itself by first cutting down on side stems, then the size of the heads of grain. First the supplementary shoots start to shrivel. Only one or two may develop and if it is very dry, only a few kernels of grain on the main stem. Finally if the heat continues the main stem goes too, and there is a complete failure.

Right now, however, there has been no shriveling. Main stem and at least three or four other stems are vigorous. With good rains these could produce a good crop (350 to 450 million bushels); without them prospects will deteriorate.

The next three weeks will be critical. Every day general rains are delayed during this period, 10 million bushels could be lopped off the final yield.

—Photo by Karsh.

G. DOUGLAS SCOTT

has been elected secretary-treasurer and a director of Robotype Corp. of Canada, and will also continue his duties as general manager.

Here's Importing Procedure On New Controlled Items

OTTAWA (Staff)—Thousands of businessmen in all parts of Canada will feel the unexpected "bite" of dollar import controls when the big basket items for iron, steel and machinery, come under control on June 26.

Total value of trade involved in these three items alone was rated as about $150 millions in 1947.

This covers basket items 427 and 427A (machinery) under which imports were $114 millions last year. The iron and steel basket item (446A) covered some $41 millions of trade last year.

To date, the Government has let seven and a half months of dollar control roll by without touching the rank and file of imports under these items because of their size and difficulty of administration. Some of the larger importers under these items have been tackled in other ways.

But come June 26, there will be hardly a manufacturer in Canada who won't in some way be affected by this new and important control.

Already since the impending control was announced at Ottawa, there have been hundreds of wires and phone calls from all parts of Canada as to procedure.

How Plan Will Work

From official sources, The Financial Post is informed that a special procedure has been worked out to aid importers under the new classification.

Normally, the standard procedure under this type of control is to grant individual permits for importation of complete units and to grant a general dollar or percentage allotment where importation of parts is involved.

The special procedure for 427, 427A and 446A will be to use these two approaches in combination.

Thus a definite dollar limit will be set of say $1,000. Only on complete units valued at more than this amount will an individual permit be required. If complete units are valued for customs purposes at less than this agreed sum, they can be brought in through a general dollar allotment permit. This will automatically permit entry up to a specific percentage of imports during the base period ending Oct. 31, 1947.

Consultation is now under way with representative industries, as to whether the limit for individual permits shall be $1,000 or some other figure. The exact figure will be furnished shortly.

The percentage for allotment permits is to be 100% for all permits under items under 427 and 427A. In the case of complete units brought in under 446A and which are valued at less than the agreed figure, the allotment will vary between 70% and 100% of actual imports in the base period.

Volume Will be Lower

Because prices have risen materially, the actual volume of imports under a 100% quota will be less than in the base period.

Wherever parts are to be imported under these basket items, the usual procedure of an allotment permit will be granted. The percentages for parts will be the same as those mentioned in the case of complete units under the prescribed amount.

Departmental officials say that manufacturers who want to import under these schedules should use form CG109. Those who are not manufacturers (firms who import items which are subsequently resold in the form in which they are imported) should use form CG111.

Under this new combined procedure for these basket items, the important and deciding point is determination of what is a "complete unit" for purposes of the regulations. The closest definition that can be given is that where the individual value for customs purposes is less, per piece, than the prescribed amount (say $1,000 if that is finally decided on) then the units can come in bulk under an allotment permit.

If the individual price per piece exceeds the prescribed sum then an individual permit on form CG101 will be required.

There are some 65 or 70 individual statistical items in the trade returns which are included in tariff items 426 and 426A. The list includes a wide variety of machinery of all types also lathes, water turbines, wire stitcher staplers, etc.

There are some 14 items in the basket item 446A (iron and steel). They include: forgings, castings for railway vehicles, roller chain, hardware, locks and tools, N.O.P., bicycle parts and frames, drums, cylinders, barrels, tanks, valves, N.O.P., cast iron radiators, hinges for jewelry boxes, and iron and steel manufactures, N.O.P.

Advertising 'Under-Advertised' Must Sell More, PPA Told

Periodical Press Association has been told that Canadian prosperity can't be sustained much longer on present advertising volume.

President Floyd S. Chalmers said in his annual report recently that the ratio of advertising to national income is only about two-thirds the prewar level.

"We can perhaps get by with this lower proportion," he stated, "so long as shortages exist in many products. But the day of shortages is rapidly passing and the day of hard-hitting salesmanship is emerging."

Describing advertising as "probably the most under-advertised commodity on the market," Mr. Chalmers added:

"On this continent the income of people of the United States and of Canada and their standards of living are at the highest level in history. We have a powerful head of steam up, and if we are going to maintain high-level prosperity, it is going to be necessary to maintain public demand. This cannot be done without adequate selling effort including salesmanship in print, which is advertising.

"There is some doubt in my mind as to whether the present volume of advertising in Canada and the United states is adequate to sustain current demand, much less to create the new markets required to absorb the products of our greatly increased productive capacity.

"Not enough of our sales effort is directed at top management. And yet top management must be made to appreciate the direct relationship between an effective promotion job, through advertising, and the over-all expenditures of the people upon which the market for their own products depends.

"It has been wisely said that 'nobody profits until something is sold'. I question if industry on this continent is fully aware of the size of the selling job that lies ahead of us."

The PPA president reported that dollar volume of advertising in magazines, farm papers, and business newspapers continues to show gains this year with no indication yet of any early downturn in business.

"However," he continued, "the increase in advertising and subscription revenues of the publications of Canada is insufficient to absorb the very heavy increases in costs, which are the result chiefly of higher paper prices and increased wage levels. The periodicals in particular are being squeezed very tightly.

"Ultimately, the only effective remedy will be to increase both circulation and advertising rates. In terms of buying power it will tap, the average page of advertising today sells at far below its prewar price. Advertising is the lowest cost service available to business today."

LAKE DUFAULT MINES has declared a dividend of five cents a share, payable July 23 to shareholders of record July 6.

NIAGARA WIRE WEAVING CO. no par value shares (ticker abbreviation "NW") has been added to curb trading on the Toronto Stock Exchange.

MATACHEWAN CONSOLIDATED MINES LIMITED

DIVIDEND NO. 4

NOTICE IS HEREBY GIVEN that a dividend of 2 cents per share has been declared by the Directors of Matachewan Consolidated Mines Limited, payable in Canadian funds, on July 22nd, 1948, to shareholders of record June 30th, 1948.

By Order of the Board,

A. G. FULTON,
Secretary.
June 19th, 1948.

LAKE DUFAULT MINES LIMITED

(No Personal Liability)

DIVIDEND NO. 5

NOTICE is hereby given that an interim dividend of 5 cents per share has been declared by the Directors of Lake Dufault Mines Limited, payable in Canadian funds, on July 23rd, 1948, to shareholders of record at the close of business July 6th, 1948.

By Order of the Board.

A. G. FULTON,
Secretary.
Toronto, Ontario,
June 21st, 1948.

STOVEL PRESS LIMITED

Notice is hereby given that a quarterly dividend of twelve and one-half cents (12½c) per share has been declared on the outstanding 5% cumulative redeemable convertible preferred shares of the par value of $10 each in the capital stock of Stovel Press Limited payable on July 15, 1948, to shareholders of record at the close of business on June 30, 1948.

Dated at Winnipeg this 11th day of June, 1948.

By Order of the Board of Directors,

HARRY C. STOVEL,
Secretary-Treasurer.

Grain Prices

Winnipeg Grain Futures

Week to June 21, 1948

Crop year from Aug. 1, 1947 High	Low		High for week	Low for week	Close June 21
		Oats			
.98¾	.68½	July	.98¾	.90½	.91
.85¼	.66⅜	Oct.	.85¼	.80¾	.80¾
.79¾	.79¾	Dec.	.79¾	.79¾	.79¾
		Barley			
1.25½	1.03¾	July	1.23¼	1.16	1.16⅜
1.25¾	.96½	Oct.	1.10¼	1.06½	1.06¾
		Rye			
3.93½	30.1	July	2.75	2.67	2.75
3.05¼	1.68	Oct.	2.07	2.04⅜	2.05
1.98	1.98	Dec.	1.98	1.98	1.98

Cash Quotations

	For Week June 21 High	Low	Prev. Week High	Low
Oats				
2 C. W. ..	.97⅞	.91⅛	.96⅞	.89⅝
3 C. W. ..	.97⅜	.90	.95⅞	.89⅝
Barley				
1 Feed ..	1.19⅝	1.13⅝	1.17⅛	1.14½
2 Feed ..	1.15⅛	1.08⅛	1.13⅝	1.11½
Rye				
2 C. W. .	[illegible]	2.68	2.77⅛	2.64⅝

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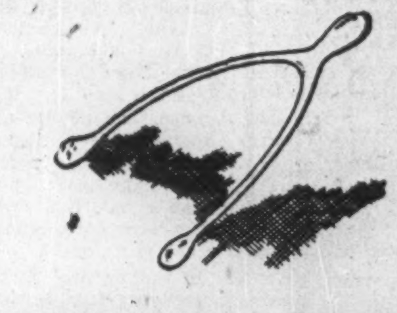

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Canadian Cottons, Limited

Thirty-eighth Annual Report for the Year Ended March 31st, 1948

To the Shareholders:

Your Directors submit herewith the balance sheet of the Company as at March 31st, 1948, with a Statement of Profit and Loss for the year ended on that date.

Net operating income, including subsidy, and after providing for Income and Excess Profits Taxes and other customary charges amounts to		$704,378.26
Income from investments amounts to		182,101.05
making a total of		$886,479.31
which has been distributed as follows:—		
6% Dividend on Preferred Stock		$198,312.00
Dividends on Common Stock:		
4 Quarterly—55c. per share	$304,722.00	
1 Extra—50c. per share	69,255.00	373,977.00
Balance transferred to Surplus		314,190.31
		$886,479.31

On September 15th last ceiling price directives and other controls under which the Canadian primary textile industry had been operating since November 1941 ceased to function officially but by arrangement with Government officials, ceiling prices were maintained to November 1st.

The operating profits and taxes for the year have to be read in the light of the above condition—7/12 of the year under controls and the balance without.

In taking farewell of controls along with whatever characteristics that accompanied them, your Directors wish to express the opinion that as a war measure they performed a national emergency service in helping keep productive costs and cost of living from rising as quickly as they otherwise would. But such controls carry with them not only certain disadvantages to the individual companies operating under them but also to the economy of the country.

It is submitted that in theory and practice controls ultimately curtail production, especially if controls are sponsored by more than one administrative body. In 1942 the Canadian primary textile industry came first under regulations of the Wartime Prices and Trade Board and later under other government controls. The bale openings of cotton in Canada from 1939 to 1947 inclusive were as follows:

1939	340,899 bales	1944	375,835 bales
1940	455,165	1945	362,740
1941	491,410	1946	360,198
*1942	496,102	1947	363,262
1943	425,107		

*Ceiling prices and other directives applied in this year.

It would not be a sound conclusion to blame controls as the sole cause of curtailment in the years following 1942 but your Directors believe that they were the primary cause of the dramatic decline in production which was only stopped in 1947. The Company's figures of cotton consumption are included in the above and follow almost an exact pattern of the whole.

For the first three months of 1948, however, the Company's bale openings were within only 80 bales of its corresponding openings for the year 1942.

Your Company has also suffered other disadvantages. It has not been able to build up adequate reserves, as commodity prices and other costs have risen, to meet either inventory losses which are inevitable or to meet capital replacement costs with respect to a very large portion of its building and equipment erected and installed when costs were much lower.

The question of the necessity for inventory reserves doesn't need argument to support it when it is realized that the New York raw cotton market has advanced 27 cents a pound in the nine years—from approximately 9 cents as of March 1939, to 36 cents as of March 1948. If the market can advance that much, it can also decline the same or in a larger amount and can do it in less than nine years. In the short period from July 1920 to March 1921 the raw cotton market dropped from 43.75c. to 12.55c. per pound. Again between April 1928 and June 1932 the same market declined from 22.15c. to 5.80c. It follows that a very robust reserve is vital for protection to cover inventory losses for the completion of the swing of the pendulum. Inventory reserves have not been increased since year ending March 31st, 1943, when in the opinion of your Directors they were adequate. At that time, however, the raw cotton market was 22.19c. per pound. It is proposed that any refunds under the Excess Profits Tax Act shall, when paid, be applied to reserves instead of to surplus account and also any relief that may accrue resulting from the setting up of a reserve in the year March 31st, 1943, under Section 6(1)b of the Excess Profits Tax Act.

The case for costs of capital replacement is much broader and is common to all industries. It is best described by example. Depreciation on equipment costing $1,000,000 (prewar) is limited to $1,000,000. Today's replacement cost is at least $2,000,000. Thus industry has to draw on its working capital to the extent of $2,000,000 for which only $1,000,000 has been provided for through the regular channel of depreciation. It is, therefore, $1,000,000 worse off than it was. Many companies may find themselves in financial embarrassment if costs remain at the current high level for too long. The British Government, recognizing this situation, is subsidizing the British textile industry to the extent of 25% of current cost of machinery and equipment. Your Directors do not ordinarily approve of subsidies in principle but recognize that this will place the British textile industry in a very strong position in relation to the Canadian industry, the more so in view of their much lower wage level.

Thus as a national war emergency your Directors feel that, on balance, ceiling price directives and subsidies were warranted for a critical period but they were removed none too soon both in the interest of national production in peace time and in the interest of specific companies that operated under them.

It is not certain that commodity and manufacturing costs have yet reached their peak. The spot market for raw cotton has advanced from 36c. to 38.50c. per pound since March 31st last. There is an immediate demand for textiles not only in Canada but throughout the world and, so far as we can see, it will continue through the current year. But ability to pay is a greater factor in forecasting continuity of trade than is demand. There are distinct signs that the limit of such ability has been about reached.

Add to the above the chaotic political and economic conditions universally existing and there is produced a situation in which courage and caution should play equal parts in determining future operating policies.

The following comparative study of the overall costs of cotton yarns and fabrics made in the years ending March 31st, 1939, and March 31st, 1948, is revealing and informative. It is found that in the cost per pound of actual production in this last fiscal year

(1) raw cotton costs were 363% of those of 1939
(2) wage costs were 240% of the 1939 level
(3) all other charges such as supplies, services, municipal taxes, repairs and overhead were 161% of those of 1939.

The average increase in our total costs can be derived from these figures by relating them to their shares in the cost of production. In 1948 cotton constituted 45.17% of the cost of production, wage costs were 32.77% and other charges were 22.06%. It follows that 1948 total costs were above those of 1939, as calculated in the following table:

Cotton, 363% of 1939, @ 45.17% of total cost	164%
Wage costs, 240% of 1939, @ 32.77% of total cost	79%
Other charges, 161% of 1939, @ 22.06% of total cost	36%
1948 costs were of the 1939 costs.	279%

The weighted average selling price of twelve of the Company's largest production lines shows that, as of March 31st, 1948, they were 252% of the selling prices of March 31st, 1939. Thus the selling prices of our Company's yarns and fabrics have not risen proportionately to the increase in the actual cost of their ingredients. To put it another way, the Company would have to advance its 1948 selling prices by a further 27% of 1939 selling prices before being on a cost-price parity with that year.

Enclosed with the Annual Report your Directors are sending each shareholder a booklet entitled "The Story of Cotton in Canada" which it is hoped will be interesting and informing. Your Company's activities constitute a part of that story.

The additions to plant and equipment for the year amount to $1,851,007. The postwar programme is nearly complete and it is possible to give an accurate report as to the actual in relation to the estimated cost. The programme was first prepared five years ago and called for specific items of machinery and equipment, with costs allocated to each item. The total estimated cost came to approximately $5,250,000.

The final cost will exceed that sum by about $100,000. While this close approximation between estimated and actual is fortunate, your Directors do not wish to leave the impression that such accuracy was entirely due to foresight in anticipating and allowing for "run away" costs which actually did develop, as contracts could only be negotiated at that time with the inclusion of an escalator clause. While generous allowance was made for possible inflation, there were three important factors that entered into the calculated costs, viz., a ten percent discount on Canadian funds, a war exchange tax of 10% on imported machinery and an 8% sales tax. These three factors were inoperative at the time a large part of the machinery and equipment was imported. It is the practical disappearance of these which has kept the costs within reasonable limits of the estimates. On the other hand your Directors wish it to be understood that had commitments under the programme been deferred, the cost would have been much more than it is and the Company would still be waiting another two or three years for very necessary equipment.

The completion of the postwar programme does not mean that capital expenditures cease even for one year. There are numerous items which cannot be anticipated but which are necessary each year, the total of which amounts to a considerable sum. These blanket expenditures prior to the war averaged about $300,000 a year over a period of years. Under current conditions it seems wise to estimate corresponding outlays at approximately $500,000 annually if the business is to be kept healthy.

In the Annual Report for the year ended 31st March, 1941, there appeared the following paragraph, "Your Directors, in considering the investments of the Company, have decided that it is in the Company's interest to apply a portion of its surplus funds to the purchase for cancellation of such preferred stock of the Company as may be offered at a reasonable price, or its redemption from such preferred shareholders as may be disposed of their own free will to turn in their shares for redemption. The by-law submitted for your approval does not alter the rights of any shareholder and permits only the voluntary retirement of preferred stock." The purpose of the proposed amended by law to be presented at the special meeting of shareholders called to precede this year's Annual Meeting is to give the Company a price of voluntary call or open market purchase that is practical or workable under lower interest rates. Your Directors feel

CANADIAN COTTONS, LIMITED *(Continued)*

the original by-law when it was passed in 1941 and as amended in 1944 when the Company's shares were subdivided, was in the interests of both classes of shareholders and for that reason it is only proper to keep it harmonious with present day conditions.

During the year your Company negotiated a new agreement with the Executive of the Textile Workers Union of America, C.C.L.-C.I.O. representing the employees of the Company's six mills.

Hourly wage increases were conceded in line with the pattern current at the time of negotiation. Two innovations were also made, one offered voluntarily by the Company's representatives and the other at the request of the Union.

The Company offered a "two weeks' holiday with pay" plan for all employees who have been with the Company for a year and benefiting proportionately all employees who had been with the Company three months. This replaced the one week holiday plan then current. The proposal was accepted gratefully. It is hoped that a two weeks' holiday will prove a sufficient economic and social benefit to justify its continuance and that it will help to reduce absenteeism.

The union representatives asked for a group insurance plan to be paid for by the Company. This was conceded. As a result all hourly paid employees of the Company have the following benefits: life insurance, sickness and accident, and hospital expenses up to $3 per day for employees and their dependents.

After negotiations had been completed, certain officers of the union made public statements in the press commending the Company with respect to terms of settlement and its officers with respect to the manner in which negotiations were conducted.

Your Board would be lacking in proper appreciation if at this first opportunity it failed to express its feelings of cordiality and good will to the group of union and employee representatives who conducted the negotiations on their part and to say that it believes both sides gain by frank discussion and by conduct of negotiations in a rational manner.

The Pension Fund that the Company instituted on January 1st, 1946, is functioning smoothly. At that time the Company paid for all past services of eligible employees. Contributions for current service are made jointly by employees (3½% of their gross wages), the balance, necessary each year to maintain the Fund on a sound actuarial basis, being paid by the Company. The Company's contribution in this respect for the year just ended was $139,000.

Your Board also desires to place on record its appreciation for the efficient and loyal work as rendered by all members of the Company's operational, selling and office staffs.

The books and accounts of the Company have been duly audited and the Auditors' Report is recorded in the statements attached herewith.

Submitted on behalf of the Board of Directors.

R. G. TOLMIE,
Chairman.

E. C. FOX,
President.

Balance Sheet as at 31st March, 1948

ASSETS

CURRENT:		
Cash on hand and in banks		$ 548,748.46
Accounts Receivable—less Reserve		1,143,594.21
Inventories as determined and certified by the management and valued at the lower of cost or market less reserve		5,101,987.45
Investments—at cost less reserve—Dominion Government Bonds and Corporation Bonds and Shares (Quoted Market Value $5,722,455.00)		4,922,556.38
TOTAL CURRENT ASSETS		$11,716,886.50
SHARES IN SUBSIDIARY COMPANIES		63,603.00
DEFERRED CHARGES TO OPERATIONS		277,464.21
REFUNDABLE PORTION OF EXCESS PROFITS TAXES		186,615.61
CAPITAL ASSETS:		
Mills, Plants and Properties—at cost—Balance as at 31st March, 1947	$22,088,875.05	
Additions for year	1,851,007.18	23,939,882.23
		$36,184,451.55

LIABILITIES

CURRENT:		
Accounts Payable		$ 900,856.75
Cotton Acceptances		1,043,909.00
Due to Subsidiary Company		61,170.28
Reserve for Income and Excess Profits Taxes including Provincial Income Taxes	$ 962,123.41	
Less: Paid on account	165,300.00	796,823.41
TOTAL CURRENT LIABILITIES		2,802,759.44
MORTGAGE BONDS:		
2½% due 1st September, 1951	1,500,000.00	
2¾% due 1st September, 1953	1,500,000.00	3,000,000.00
CONTINGENT RESERVE		541,893.48
DEPRECIATION RESERVE		18,174,835.02
CAPITAL STOCK:		
Authorized—		
Preferred—6% Non-Cumulative 207,185 Shares, par value $20.00 each	4,143,700.00	
Common—175,000 Shares no par value	3,500,000.00	
	$ 7,643,700.00	
Issued and fully paid—		
Preferred—165,260 shares	3,305,200.00	
Common—138,510 shares	2,770,200.00	6,075,400.00
CAPITAL SURPLUS		336,660.75
REFUNDABLE PORTION OF EXCESS PROFITS TAXES		186,615.61
EARNED SURPLUS—Per Statement attached		5,066,285.25
		$36,184,451.55

Signed on behalf of the Board:
E. C. FOX, Director.
J. IRVING ROY, Director.

Profit and Loss Account for the Year Ended March 31st, 1948

Operating Profit for year after including Subsidy and after providing for items of Expenditure A, B, C, D, E, F, as below noted		$ 704,378.26
Add: Income from Investments		182,101.05
NET INCOME FOR YEAR		886,479.31
Deduct:		
6% Preferred Dividend	$ 198,312.00	
Common Dividend	373,977.00	572,289.00
SURPLUS FOR YEAR		$ 314,190.31
A. Depreciation	$ 747,052.35	
B. Executive Remuneration	68,250.00	
C. Directors' Fees	9,950.00	
D. Provision for Taxes	545,000.00	
E. Legal Fees	3,430.12	
F. Bond Interest	78,750.00	

Earned Surplus Account

Balance at credit as at 1st April, 1947	$4,752,094.94
Add: Surplus for year as above	314,190.31
	$5,066,285.25

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the books and accounts of Canadian Cottons, Limited, for the year ended 31st March, 1948. We have verified the Cash in Banks and the Investment Securities and the Revenue received therefrom.

We have obtained all the information and explanations required, and in our opinion the attached Balance Sheet and Profit and Loss Account, based upon certified inventories presented, are properly drawn up so as to exhibit a true and correct view of the state of affairs of the Company as at 31st March, 1948, and for the year ended that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.

Montreal, 29th April, 1948.

RITCHIE, BROWN & CO.,
Chartered Accountants.

Judges As Conciliators?

The Question: Do you think reputation of judiciary is affected by using judges for labor conciliation and other boards?

Should Canadian judges serve on concilation boards in labor disputes? If they do so, does it tend to bring the judiciary into disrepute? The question has been discussed in Parliament; and answers to a Financial Post questionnaire reveal a fairly even division of public opinion on the subject. Some hold that judges, by reason of their training and their impartial office, are ideally qualified to serve on such boards. Others argue that such duties leave judges open to criticism from those whom their awards do not please; and thus may tend to impair the reputation of the Bench in general. Some suggested that retired judges might be eligible for conciliation tasks; others suggested lawyers, as possessing many of the same qualifications as judges. Further answers on the same subject, will be published in next week's Post.

CHARLES R. ALLEN, Editor, Observer, Hartland, N.B.

Judges, by the very fact of their position, would seem to be ideally fitted for work on labor conciliation boards. Trained to give decisions impartially from evidence presented to them, and free from political affiliations, Canadian judges should be able to act on a conciliation board without in any way, affecting their prestige or reputations. Possibly no other group of Canadians is better fitted than the judiciary for this work.

* * *

C. C. AVARD, Owner of Maritime Business & Sackville Tribune, Sackville, N.B.

By reason of their legal training and experience in weighing evidence and giving fair judgments, judges are in a unique position to act in labor conciliation matters. If the reputation of judiciary is affected adversely, then the fault lies with individual judges themselves and not with the policy of employing the judiciary for tough assignments.

* * *

CHARLES BEATTIE, President, The Canadian Association of Railwaymen

I think the reputation of the judiciary is affected. Knowledge and experience are two things which must enter into any conversations regarding disputes between labor-management.

I say select, not lawyers advanced to judgeships, but men with experience in the handling of working agreements and with the knowledge of costs of production. Conciliators in a labor dispute should know the inside of both labor and management problems; accordingly. I believe that labor-management problems should be the board of conciliation. I would not be adverse to an editor of a Canadian newspaper being chairman of a board.

Conciliation boards have lost their power. Take the rail situation. They allowed all parties to be represented by one. Then a decision was given of 7c per hour. Imediately Mr. Mosher took issue and did not accept the decision. He was right. He represented the lower paid classes. He did not represent the trades who at the present time have a high average wage.

If the Minister of Labor wants to settle the rail question, he should immediately appoint a fact-finding committee. That committee then takes facts from separate trades.

* * *

H. J. A. CHAMBERS, Standard Machine & Tool Co., Windsor.

Judges for labor conciliation boards are most desirable. Decisions by boards so constituted are generally fairer and more equitable. The reputation of the judiciary in my opinion is not affected thereby. When boards are headed by judges constituted to investigate politically controversial matters, the judiciary is put in an assailable position, since their findings do not necessarily satisfy the critics to quieten whom the investigation was instituted. Otherwise boards of enquiry under judicial chairmanship are most satisfactory.

* * *

GERARD FILION, Union des Cultiveurs la Terre de Chez Nous, Montreal.

Judges are appointed to administer justice, not to settle industrial disputes. I suggest that special courts presided over by judges appointed ad hoc and with well-known experience in that particular field, be organized as permanent institutions, so our judicial machinery will be used exclusively to give justice and industrial courts will take care of industrial disputes.

* * *

DR. R. LAYCOCK, Dean of Education, University of Saskatchewan, Saskatoon.

The work of judges should be confined to court work or to work on boards where material dealt with is closely related to technical matters which require legal interpretation. On the other hand, many matters now handled by labor relations and other boards should probably be handled by the courts, where a specially selected judge or judges, who have specialized in the field concerned, would preside. On the whole, I think the prestige of the judiciary suffers by the work of judges on commission, although there have been notable exceptions.

* * *

R. B. MATHEWS, Legal Counsel, British Columbia Electric Railway Co.

The reputation of Canadian judges for impartiality in the administration of civil and criminal law is one of the greatest bulwarks of our democracy. The recent attacks on certain members of the judiciary have stemmed from decisions made by them as government-appointed arbitrators of labor and other disputes where strife has been partisan and bitter between the parties. This is having the effect of undermining the reputation of the judiciary as a whole in the minds of the people, and as such, is a serious threat to democracy.

* * *

REDMOND QUAIN, K.C. barrister, Ottawa

I am decidedly against the use of judges for these jobs. They have no moral or legal obligation to act; should not be asked to act, and if asked, should refuse. Their known but often unconscious leanings and the government desire to smother discussion of the decision, are often the basis for their selection by the party in power. Their decisions in these matters are legally open to public criticism, which is an eminently proper thing; but the criticism is often offensive and detracts from the dignity of their position. I suggest paying all healthy, retired judges an annual retainer to do this work.

* * *

RALPH D. STEELE, Former Mayor, Chatham, Ontario

The use of judges on labor conciliation boards and other boards has undoubtedly added weight to the decisions of such bodies and has increased the respect in which they are held. The reputation of the judiciary is likely to be affected adversely only where its members are used on boards constituted to deal with questions which are properly of political bodies. Judges should not be used as "buffers" on such boards; but they can act effectively on any board making decisions of a purely judicial character.

* * *

A. RACINE, K.C., Public Trustee, Osgoode Hall, Toronto.

The judiciary have special training and experience which particularly fit them to act on conciliation and other boards; and by their position, have impartiality which may not be found in other individuals. Their services should be used as often as necessary, provided it does not interfere with their judicial duties. To relieve them, consideration might be given to the use of lawyers and other men, particularly those occupying positions which leave them free from professional obligations to any individual or group. Realizing the necessity of retaining properly qualified persons for such duties, I fail to see how their reputation can suffer in the discharge of such duties.

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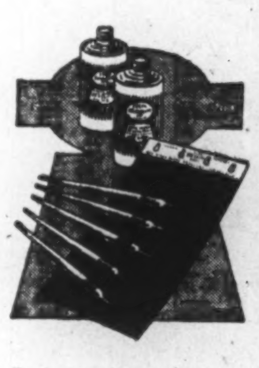

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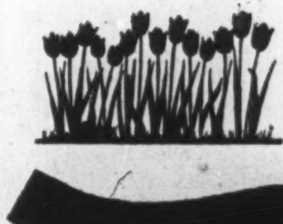

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THIS WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING JUNE 18

Range 1948 High	Low	Div Rate $	June 18 Y'ld %		Sales	Last June 11	Week end. June 18 H	L	Cl'se
12	10	.80	6.8	Donnell & M.	10	12	11½	11½	11½
17	17	1.00	5.9	Do. "A"	25	17	17	17	17
20	19	1.00	5.2	Donohue Bros.	75	19½	19½	19½	19½
29	25½	†.50	..	Dryden Paper	70	26	26	26	26
28	25	.	...	East Koot Pr. p	5	26	26	26	26
10½	6½	.60	6.9	East Steel	50	8	8½	8½	8½
18	15½	1.00+†.25		Easy Washing	100	18	18	18	18
43	30	2.00	4.7	Economic Inv.	85	40	43	39	43
20	16	1.00	5.3	Eddy Papers	380	19	19	18½	19
18½	14½	†▲.90	..	Electrolux	330	17	17	16½	17
17½	11½	†1.00	..	Enam. & Heat	150	16½	17½	17	17
20	10	.50	4.6	Equitable Life	10	11	11	11	11
18½	15½	1.00	5.8	Fam. Players	1473	18	17½	17	17½
47½	34	▲1.50+▲.50		Fanny Farm	255	44½	43½	43	43½
8½	8	.50	5.9	Fibre Prod. p	25	8½	8½	8½	8½
8½	7½	.	...	Fittings	25	8½	8½	8½	8½
3½	2	•	...	Fleet Aircraft	1650	2½	2½	2	2½
27	21	1.00+†.50		Ford Motor A	2302	26½	26½	25½	25½
6	3½	.	...	For. Pr. Sec. p	5	4½	4½	4½	4½
25	19	1.40	5.8	Foundation Co.	200	24	24½	24	24½
62	42½	3.00+†.50		Fraser Cos.	1305	61½	61½	59½	59½
98½	90½	4.50	4.9	Freiman pref.	55	90½	92	90½	92
94	86½	4.00	4.4	Gair Co. Can. p	50	90	90	90	90
20	18½	1.20+†.10		Gatineau Pwr.	745	19½	20	19½	19½

Range 1948 High	Low	Div Rate $	June 18 Y'ld %		Sales	Last June 11	Week end. June 18 H	L	Cl'se
10½	9½	.50	4.8	Do. 5% pref.	100	10½	10½	10½	10½
10	9	.50	5.7	Tip Top Can. A	30	9	9	9	9
21	18½	.30	1.4	Tip Top Tailors	515	20	21	20	21
12½	10	†.30	..	Tor. Elevators	100	11½	11½	11½	11½
174	171½	7.00	4.0	Tor. Gen. Tr.	24	171½	172	172	172
12	10	.60+†.15		Toronto Iron A	175	11	11½	11	11
108	101	5.00	5.0	Tor. Mtge.	3	101	100	100	100
9½	5½	.	...	Twin City	5	8½	6½	6½	6½
10	7½	▲.20	...	Union Gas	1355	8½	9	8½	8½
38	32	▲1.50	...	Un. Amuse. B	50	32	38	38	38
38	34	.	...	Do. V.T. 'A'	25	34	38	38	38
30	29	1.50	5.1	United Corp. A	50	29½	29½	29½	29½
25	16	1.00+†.30		Do. "B"	705	23	25	23½	25
49½	45½	3.00	6.3	United Fuel Pf.	205	49	48	47½	48
16½	13½	.	...	Do. "B" pref.	255	16	16	16	16
19½	17½	1.00	5.1	United Grain A	22	19½	19½	19½	19½
21½	8½	.	...	United Secs.	518	21	21½	21	21½
8½	5	.50	6.6	United Steel	940	7½	8	7½	7½
22	21	†.75	...	Viau Limited	20	22	21	21	21
101	101	5.00	5.0	Do. pref.	15	101	101	101	101
96	89½	4.00	4.2	Wabasso Cot.	1745	90	96	89½	95
31½	24	1.50+†.37½		Walker-Gord	4590	28½	28½	27½	28
13½	10½	.80	6.4	Waterous Ltd.	206	12½	12½	12½	12½
20	18½	1.60	7.4	West Brew.	30	19½	19½	19	19

Range 1948 High	Low	Div Rate $	June 18 Y'ld %		Sales	Last June 11	Week end. June 18 H	L	Cl'se
25	21	.	...	West Grocers	60	24	25	24	25
36½	32	2.00	5.8	Do. "A"	105	34½	35½	34	34½
33½	26½	1.00+▲.50		Westeel	230	32½	33½	32½	33½
28	21½	.80	3.2	Weston George	260	26	26	25	25½
101½	97	4.50	4.5	Do. 4½% pref.	477	100	100	99½	100
21	19	1.00	5.3	Wilsils	15	19	19	19	19
12	9	.	...	Windsor Hotel	5	12	12	12	12
26½	20½	1.00	3.9	Winnipeg El. A	2199	25½	25½	25	25½
100	95	5.00	5.2	Do. pref.	75	97	96½	96	96
127½	117	7.00+†1.75		Wood, A., J. P	6	118	118	118	118
24	19	1.00	4.7	Wool Combing	25	20	21½	21½	21½
8½	6½	.	...	York Knit. A n	100	7	7	7	7
45	34½	1.50	3.5	Zellers	200	43½	44	43½	43½
27	25½	1.25	4.6	Do. 5% pref.	15	27	27	27	27
29	27½	1.50	5.5	Do. 6% pref.	10	28	27½	27½	27½

†Paid or payable in 1948. xOn arrears. ‡Extras. ▪Paid in 1946. ▲N. Y. funds. ♦Paid in 1947. §Net after income taxes. •Dividend deferred ♦♦For each 20 shares held

Mining Stocks

Week Ended June 18

Range 1948 High	Low	Div. Rate $	June 18 Yield %	Company	Sales	Last June 11	Week Ending June 18 High	Low	Close
.90	.60	.....	....	Akaitcho	1,000	.75	.73	.73	.73
.13	.03	.....	....	Alger	100	.03½	.04	.04	.04
.07	.02	.....	....	Alta	4,500	.05	.02	.02	.02
.38	.10	.....	....	Amal. Lard.	25,092	.14	.14	.10	.12½
.18	.08	.....	....	Amer. Y.K.	21,500	.12½	.15	.14	.14½
9.20	8.25	.20	2.4	Anglo-Hur.	2,040	8.25	8.35	8.25	8.35
.68	.32	.....	....	Anglo-Rou.	4,000	.63	.64	.58	.58
.14½	.05	.....	....	Ares	1,010	.14	.13	.08	.10
.15	.06	.....	....	Arjon	2,600	.11	.10½	.10	.10
.39	.15	.....	....	Armistice	13,000	.30	.30	.26	.26
.04½	.01	.....	....	Arno	1,000	.03	.03	.03	.03
.16	.06	.....	....	Ashley	14,000	.07½	.08	.06	.07
.12	.06	.....	....	Astoria Q.	1,500	.07	.08	.06	.06½
.10	.04	.....	....	Athona '37	13,000	.08½	.08½	.07½	.07½
.15	.09	.....	....	Atlas Y'fe	1,000	.13	.13½	.13½	.13½
.15	.08	.....	....	Aubelle	34,900	.11½	.12½	.11	.11
.25	.15	.....	....	Aumaque	2,400	.16½	.19	.15	.15
4.00	3.00	.20	5.9	Aunor	2,040	3.25	3.50	3.20	3.40
.20½	.08½	.....	....	Bagamac	1,200	.18½	.18½	.17	.18½
.17½	.07	.....	....	Band Ore	900	.10½	.10½	.08	.10½
.08	.30	.....	....	Bankfield	2,175	.06½	.06	.04	.04
.24	.09	‡‡.20	....	Base Metals	56,950	.19	.20	.17½	.19½
.06½	.05	.....	....	Bayonne	1,000	.05	.05	.05	.05
.07	.05	.....	....	Beatrice	4,000	.06	.06	.05	.06
.25	.09	.....	....	Beaulieu	49,400	.11½	.13	.11	.11½
.14	.05	.....	....	Kay Rand	11,700	.13	.12	.10½	.10½
.27	.19	.....	....	Kelore	20,350	.20	.24½	.19	.24
15.00	12.00	.18	1.5	K. Addison	18,525	12.37½	12.50	12.00	12.25
.22	.08	.....	....	Kirk. G.G.	51,650	.09½	.11	.08½	.11
.60	.36	.....	....	Kirk.H.Bay	14,700	.57	.60	.57	.58
1.78	1.38	.04	2.8	Kirk. Lake	13,120	1.40	1.46	1.38	1.43
7.75	4.10	.....	....	Labrador	3,100	5.50	5.90	5.50	5.70
.06½	.02½	.....	....	Laguerre	1,000	.02½	.03½	.03½	.03½
.86	.38	§.05	....	L. Dufault	49,020	.73	.86	.75	.76
.05	.02	.....	....	L. Fortune	500	.03	.03	.03	.03
14.75	11.00	.72	6.5	Lake Shore	5,210	11.37½	11.50	11.00	11.12½
.70	.25	.....	....	Lake Wasa	4,900	.35	.35	.34	.34
3.00	2.00	.....	....	La Luz	200	2.40	2.40	2.23	2.40
6.95	5.50	†.08	....	Lamaque G.	362	5.70	5.70	5.50	5.50
.07½	.04	.....	....	Lapa Cad.	3,050	.05	.05	.04½	.04½
.11	.05	.....	....	Lapaska	2,500	.05½	.05	.05	.05
.08	.04	.....	....	Larder "U"	18,500	.04½	.04½	.04	.04
.04½	.02	.....	....	Lebel Oro	3,700	.02	.03½	.03	.03
1.25	1.00	.08	7.3	Leitch Gold	5,000	1.15	1.15	1.10	1.10
.14	.06½	.....	....	Lexindin	500	.08½	.08½	.08½	.08½
.59	.29½	.....	....	Lingman L.	44,800	.34	.38	.32	.32
1.50	.80	‡.04	....	Little L.L.	7,460	.83	.88	.80	.88
1.50	.40	.....	....	Louvicourt	51,800	.59	.65	.58	.63
7.20	5.15	§.05	....	Ventures	2,140	6.15	6.25	6.20	6.20
.13	.07	.....	....	Vicour	1,000	.10	.07	.07	.07
.08½	.02½	.....	....	Vinray	13,500	.03	.03½	.03	.03½
9.25	4.60	†.60	....	Waite Am.	22,306	8.45	9.25	8.45	8.85
.19½	.10	.....	....	Wekusko	3,300	.12½	.12½	.12	.12
.10	.06½	.....	....	West Mal.	1,000	.07	.07½	.07½	.07½
.12	.05	.....	....	Witsey C.	11,500	.08	.10	.07	.07½
.10	.07	.....	....	Winchester	500	.08½	.08	.08	.08
.08	.04	.....	....	Winora	500	.05	.04	.04	.04
2.90	2.40	.16	6.0	Wright-Har	10,343	2.51	2.65	2.50	2.65
.81	.65	.....	....	Y'ke Bear	16,410	.68	.70	.65	.69
.40	.18	.....	....	Yellorex	5,500	.19	.23	.18½	.22
.09	.05	.....	....	Ymir Girl	1,200	.05½	.06	.05	.06

Oil Stocks

Range 1948 High	Low	Div. Rate $	Yield %	Company	Sales	Last June 11	High	Low	Close
.09	.04	.....	....	Admiral	6,000	.05	.05	.04	.04
.24	.10	.....	....	Alta. P. Cons	5,000	.16	.17½	.15	.15
.08½	.05	.....	....	Alliance	4,000	.07	.06	.05	.06
.17	.07½	.....	....	Anaconda	23,600	.10	.11½	.10	.10
3.50	1.35	†.05	....	Anglo Can.	33,010	3.35	3.35	2.90	2.98
.09½	.05	.....	....	Apex	3,500	.05½	.06	.05	.06
.48	.23	.....	....	Atlantic	67,200	.35½	.48	.35	.44½
.35	.16	.....	....	Br. Dom.	34,000	.25	.28	.25	.26
7.60	3.40	.40	1.6	Calg. & Ed.	9,145	6.90	7.00	6.15	6.15
.65	.34	.....	....	Calmont	5,325	.52½	.53	.50	.51
.27	.16	.....	....	Cal. Leduc.	25,700	.25½	.25	.20	.20
.45	.20	.....	....	Cent. Leduc	85,200	.43½	.45	.41½	.45
.22	.10	.....	....	Coastal	5,000	.19	.16	.14	.15½
.17	.14	.....	....	Command	5	.15	.15	.15	.15
.36	.34	†.00½	....	Commoil	1,000	.35	.35	.35	.35
.60	.40	.....	....	Common P.	1,250	.54	.54	.54	.54
.32	.12½	.....	....	C. H'Stead	265,500	.17	.20	.14	.15
.60	.33	.....	....	Dalhousie	1,520	.41	.40	.40	.40
.20½	.09	.....	....	Davies Pete.	3,100	.16	.16	.15	.15
.17½	.07	.....	....	Decalta	20,000	.16½	.15½	.14	.14½
.10	.05	.....	....	East Crest.	9,525	.07½	.08	.06	.06½
.50	.25	†.01½	....	East Leduc.	54,150	.45	.45	.39	.44
4.10	2.80	.25	8.5	Foothills	2,083	2.90	3.00	2.90	2.95
.06½	.02½	.....	....	Freehold	3,700	.04	.04	.03½	.04
2.25	1.25	.....	....	Gaspe	3,600	2.00	1.97	1.80	1.80
.82	.50	†.02	....	Globe	31,590	.74	.74	.70	.71
.03½	.02	.....	....	Grease Creek	4,500	.02	.02	.02	.02
.13	.06	.....	....	Hargal	87,840	.10	.11	.09	.11
.15½	.07	.....	....	High Sarcee.	500	.09½	.10	.09½	.09½
9.70	5.25	§.15 and .05	....	Home	7,340	9.25	9.15	8.50	8.75
.15	.04	.....	....	Jump. Pound	2,000	.05½	.06	.05½	.05½
.22	.10	.....	....	Leduc Cons.	1,600	.15	.15	.15	.15
1.19	.60	†.04	....	Leduc West	40,200	1.03	1.04	.98	.99
.55	.40	.....	....	Lowery	500	.46	.46	.46	.46
.15	.08	.....	....	McD. Segur	5,360	.08½	.10	.08½	.09
.08½	.03½	.....	....	McLeod	7,020	.05	.04½	.04½	.04½
.17	.09½	.....	....	Mercury	8,550	.11	.10½	.10	.10½
.11	.05½	.....	....	Midcont.	65,200	.08	.08½	.08	.08½
.15½	.07	.....	....	Mill City	2,000	.11½	.11	.10	.11
.35	.22	.....	....	Model	900	.27½	.27	.27	.27
.33	.18	.....	....	Nat. Pete.	1,000	.26	.24	.24	.24
.33	.12	.....	....	N. Pacalta.	19,717	.14½	.15	.12	.12
.10	.05½	.....	....	New Ranch.	2,500	.07½	.07	.06½	.06½
.20	.13	.....	....	Nordon	500	.16	.20	.20	.20
1.84	.90	.....	....	Okalta	11,080	*1.60	1.60	1.51	1.53
1.45	.80	.10	7.4	Pac. Pete.	36,400	1.60	1.44	1.33	1.36
.05	.02½	.....	....	Phillips P.	23,400	.04½	.05	.04	.04
.16½	.08	.....	....	Princess P.	20,000	.13	.13½	.12½	.13½
.06	.02½	.....	....	Richfield	1,000	.03½	.03½	.03½	.03½
.49	.25	.....	....	Roxana	12,800	.41	.42	.37	.38
.15	.07½	.....	....	Royal Can.	20,700	.08½	.10	.08½	.10
19.00	16.00	1.00	5.4	Royalite	215	18.50	18.50	18.00	18.50
.10	.05	.....	....	Share Roy	13,000	.07½	.07½	.07	.07½
.19	.10½	.....	....	So. Brazeau	3,600	.15	.15	.13½	.13½
.20	.15	.....	....	Spooner	1,007	.15	.16	.15	.15
.10	.08	§.01½	....	Sunset	1,500	.08½	.08½	.08½	.08½
.34	.23	.....	....	Superior	10,500	.30	.30	.28	.28
.05½	.05	.....	....	Three Point.	2,750	.05	.05	.05	.05
.55	.20	.....	....	Turner V.	510	.45	.46	.43	.43
.15½	.08	.....	....	United Oils.	1,690	.09	.09½	.08½	.09½
.19	.12	.....	....	Vanalta	1,000	.15½	.14½	.14½	.14½
.36	.20	.....	....	Vulcan	1,600	.30	.28	.26	.28
.10	.03½	.....	....	York Oils	404	.06	.05	.05	.05

* N. Y. Funds. ≡ Extra. ‡ Paid in 1946. ‡ Capital Repayment. ♦ Dividend deferred. § Paid in 1947. † Paid or payable in 1948.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
June 21 ..	125,800	595,000	97,540	143,570	2,220,000
June 19 ..	....	....	......	......	....
June 18 ..	191,700	753,000	140,528	148,282	1,700,000
June 17 ..	242,700	847,000	101,205	117,439	2,010,000
June 16 ..	222,200	1,253,000	90,219	59,180	2,130,000
June 15 ..	197,800	927,000	72,470	50,452	2,240,000

Unlisted Stocks

(Compiled from quotations supplied by Kamm, Garland & Co., Kippen & Co. and Intercity Securities Corp.)

June 21, 1948

	Bid	Ask.
Allens Toronto units	40.00	....
Anglo Can. Telephone A	9.75	10.50
Beauharnois L. H. & Pr.	18.50	19.50
British Mtge. & Trust	185.00	195.00
B. C. Sugar	88.00	91.00
Can. Investors Corp.	7.25	8.00
Canadian Motor Lamp	13.00	14.00
Can. Silk Prod's A	24.00	27.00
Can. West. Nat. Gas com.	65.00	....
Capital Wire Cloth com.	11.50	....
Cawthra Apts. units	6.75	....
Chase A W. units	40.00	....
Colonial Steamships com.	96.00	....
Commercial Finance com.	15.00	18.00
Commercial Life 10% paid	8.00	....
Continental Life 20% pd.	42.50	....
Cooksville A	11.00	12.00
Do. B	4.00	5.00
Cuban Can. Sugar com.	5.00	6.25
Detroit Internat. Bridge	12.00	13.50
Dover Industries Ltd.	10.75	11.75
Dunlop Tire pfd.	24.75	25.75
Dupuis Freres pfd.	24.75	25.75
Empire Life Ins. 25% pd.	17.00	19.00
Foreign Power Co.	3.00	6.00
Galt Brass com.	33.00	....
Goderich Elev. & Trans.	16.00	17.00
Great West Life	350.00	380.00
Guardian Realty pfd.	45.00	....
Guaranty Co. of N. Amer.	385.00	....
Guelph & Ont. Svgs. $50 p.	67.00	....
Hart Battery com.	7.50	8.50
Hartz, J. F., A	....	11.00
Imperial Life	340.00	355.00
Laprairie com.	5.00	7.00
Do. pfd.	92.00	98.00
Loblaw Groc. Inc.	19.00	20.00
Manufacturers Life Ins.	340.00	360.00
Monarch Life 20% paid	94.00	....
Monarch Mtge. units	4.75	5.50
Mountainview Apts. pfd.	19.00	....
Nat. Drug & Chem. c. new	9.00	9.75
Do. pfd.	12.00	13.00
New Bruns. Telephone	13.00	13.75
Ont. & Que. Ry. 6% cap stk	140.00	....
Peller Brewing com.	5.00	6.25
Do. pfd.	20.00	22.00
Prov. Bank of Canada	16.00	16.75
Prudential Trust	11.00	....
Quality Steels com.	.50	.80
Ritchie Cut Stone pfd.	4.75	6.00
Sawyer Massey com.	1.50	....
Seiberling Rubber com.	5.00	8.00
Sincennes McNaught. Tugs	2.50	....
Sherbrooke Trust	*140.00	....
Sovereign Life 25% pd.	38.00	40.00
Standard Fuel pfd.	42.00	43.50
Do. com.	2.00	3.75
Sun Life Assoc.	500.00	520.00
Third Can. Gen. Inv.	3.80	4.20
Toronto General Ins.	6.00	....
United Farmers Co-op.	2.50	4.50
United Steel A pfd.	25.00	28.50
Victoria Trust & Svgs.	133.00	....
Waterloo Mfg. com.	5.00	6.50
Waterloo Trust & Svgs.	125.00	....
Western Assur. com.	63.00	67.00
Western Grain com.	.65	1.00
Do. pfd.	21.50	24.00
York Trading com.	11.25	12.75

Unlisted Mines

Approximate quotations, 3 p.m., June 21, subject to confirmation.

	Bid	Ask
Abenakis	1½	2½
Advance	3	4
Alexander	3	5
Aljo	1½	3
Ama Kir	5½	7
Anna'que	1	3
Argonaut	2½	2½
Audley	1	3
Aurora Y	10	13
Auterra	1	2
Baker	2	4
Barb L n	2	4
Beaurly	2	4
Bi Ore	26	40
Blondor	2	3
Blue Grass	1	3
Bouzanne	3½	5
Bourl C	2	4
Bradnor	1	3
Br Breest	1	3
Braminco	13	17
Bravo	1½	2½
Bright RL	1½	2½
B McDade	8	10
Burley Po	1	2
Camlaren	4	6
Captain	2	4
Carimac	1	4
Carricona	1½	2½
Cassidy	2½	4
Cent Mani	5½	6½
Cock RL	1½	2½
Columbier	1½	2½
Con Chib	25	30
Con Cop	11	13
Courageo	1	2
Craibbe	5	7
Croydon	2	4
Cuyni N	50	60
Delhi	4	6
Derlak	2½	3½
De Sant n	3	5
Dom Mal	1	1½
Dom Nick	4	5
Dona Pat	1	2
Durham	9	11
Doris	1½	3
Echo Indin	3	5
Elmac	3	5
Erin Kirk	1½	2½
Flicka	1½	3
Gan Cop	4½	5½
Gilbec	½	1½
Goldpac	15	20
Goodrock	1	2
Gord Lebel	4	6
Gov. Gold	3	5
Grnd Chib	25	40
Granleduc	32	37
Greenlee	5	6
Grandhog	10	15
Gwilliam	3	4
Halden	6	8
Habitant	3	4
Harp Mal	1	3
Hornfault	7	9
Hayes Cd	½	2
Hugh Pam	7	9
Independ	5	7
Joannes D	1½	3
Kamlac	11	14
Ken Bay	7	9
Kenda Pe	6	9
Kenroy	1	2
Lk Expa	5	7
Lar-Add	2	4
La Salle	5	6
Lavalie	4½	5½
Legardo	½	1½
Lennie	4	6
Lingnora	12	15
Louvore	1	2
Macho-R	29	32
Malen RL	9	11
Major Oil	3½	4½
Marbenor	6½	8
Marquette	1	3
Mar Bird	4	6
Mary Ann	3	6
Mat Con	33	38
Mate Yel	3	5
Metalore	4	6
Miles RL	6	8
Mindus	15	17
Mink	2	4
Mistassini	15	18
Moffat H	1½	2½
Mohawk P	2	4
Murbell	½	1½
Murmac	17½	20
McCuaig	4½	6
McManus	5	7
Nat M	11	13
Nayb '45	5	8
Newcore	15	20
New Aug	9	10
New Mal	6	8
Nw Ranch	6	8
Nichel L	9	11
N Offsets	300	375
Norbeau	50	60
Norcourt	3½	4½
Norford	1	2
Normar	3	5
Nortyne	1	3
Novele P	2	4
Obalski	4	8
do '45	8	10
Obaska	9	12
Oklend	3	4
Olivet	1½	2½
Opemiska	9	12
Orofino	23	25
Ortona	3	4
Pascalis	9	11
Pelangio	3	4
Payne	7	10
Phelps	1	2
Pinnacle	1½	2½
Poona Go	1	3
Presdor	1½	2½
Princeton	—	20
Privateer	19	22
Quejo	4	6
Quest	2	3
Rajah RL	1	3
Rand Mal	4	6
Randona	9	11
Raymond	3	5
Rebair	20	24
Redruth	1	3
Redwood	6	7
Richgrup	4	6
Russet	3½	4½
Rhyolite	2	3
Salmita	5½	7
Santiago	12	14
Sepha	2	3
Sheldon	13	18
Silv Arro	—	15
Skynner	1	2
S Dufalt	—	15
Sovereign	5	6½
Starlight	2½	3½
Sun Bear	7	9
Thornhill	1	2
Tiffany	1½	2½
Tobico	1½	2½
Tower P.	70	73
Tovarich	½	1½
Trans A	—	100
Universal	5	7
Val d'Bel	2	3
Vermilion	40	44
Viking	20	25
Vinray	3	4
Wesley	1	3
West RL	1	2
Wilwood	1	3
Yelknife	130	—
Y Davids	17	19
do vt	130	—

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 10	Pulp and paper 8	Milling 4	Oils 4	Textiles and clothing 9	Food and allied prcd. 13	Beverages 8	Bldg. mater. 16	Power and traction 14	Banks 8	Total utilities 18	Total co's. 100
(Base 1935-39=100)												
*1935 to date:												
High	210.2	287.9	149.7	123.7	214.4	138.5	447.0	168.5	146.2	136.3	149.0	128.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	66.7	80.2	80.0	65.2	61.1
1948: Monthly Figures:												
Jan.	189.8	216.9	113.8	70.5	188.4	117.6	312.6	132.6	101.4	132.5	112.9	107.8
Feb.	179.7	242.7	105.5	65.8	185.3	111.8	294.1	122.5	95.2	129.7	110.1	102.2
Mar.	185.9	243.7	104.9	65.2	186.6	109.6	289.7	121.4	98.4	127.8	107.4	101.5
Apr.	209.1	256.5	109.5	70.1	197.3	115.2	312.6	132.0	102.5	127.7	116.3	108.1
1948: Weekly Figures:												
May 6	213.2	265.1	110.2	72.8	208.9	112.9	318.2	136.2	103.3	128.5	119.9	111.8
May 13	226.2	270.7	111.9	74.6	217.8	131.1	320.5	141.5	105.5	128.0	127.3	114.6
May 20	234.8	279.6	116.2	79.4	219.5	115.2	346.3	146.1	113.8	130.1	133.7	120.3
May 27	237.8	280.9	114.1	79.6	216.6	114.7	342.0	145.7	109.5	128.8	130.8	119.6
June 3	248.8	280.6	111.3	79.0	219.3	116.0	337.3	144.2	107.6	128.5	130.4	119.6
June 10	247.9	282.2	109.9	80.0	219.0	117.1	321.5	144.5	108.8	128.0	132.6	120.2
June 17	247.9	278.2	112.2	80.9	223.0	116.6	319.0	144.2	108.0	128.3	133.1	121.3

*High and low for year from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
June 21	189.71	60.56	35.62	70.04
June 19	.....	....	....	....
June 18	191.65	61.27	35.85	70.75
June 17	192.15	61.38	35.89	70.90
June 16	192.34	60.91	36.00	70.82
June 15	193.16	61.19	36.03	71.00
Month ago	189.82	61.61	35.77	70.43
Year ago	177.44	46.42	34.69	62.78
1948 High	193.16	62.27	36.04	71.12
1948 Low	165.39	48.13	31.65	58.89

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
June 21	185.67	86.14	101.15	42.90
June 19	.....	....	....	....
June 18	187.80	86.90	102.09	43.14
June 17	188.11	87.53	103.78	43.23
June 16	187.78	87.37	103.93	43.74
June 15	188.92	86.63	103.81	44.28
Month ago	180.84	96.16	103.13	47.21
Year ago	169.73	114.05	83.30	32.59
1948 High	191.44	104.68	103.93	48.11
1948 Low	149.13	86.14	77.67	28.68

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Comb.	10 Pprs.	15 Golds
June 21	77.4	134.4	114.4	374.40	58.51
June 19	...	....	....	.....	....
June 18	77.3	135.1	115.8	377.24	59.55
June 17	77.2	135.4	116.0	378.86	58.70
June 16	77.1	134.9	115.6	377.52	60.50
June 15	77.0	135.3	115.9	378.98	60.94
Month ago	76.8	134.9	115.6	384.30	63.52
Year ago	76.6	123.4	107.8	332.37	77.46
1948 High	77.7	135.4	116.0	384.80	74.92
1948 Low	70.7	108.0	95.7	290.26	58.51

Stocks Not Traded This Week (Continued)

	Div. rate $	Last sale	June 18 Bid	Ask
St. Law. Flour pf.	7.00	155	..	155
St. Law. Paper 1st Pfd. N.	..	90	..	..
Do. 2nd Pfd. N.	..	40½	..	..
Stand. Clay.	..	13½	15½	..
Stanley Brock	.40	5	5	5½
Sterling Coal	..	10	10	12
Sterling Trust	5.00	110	110	..
Stowell 'B'	..	5	3	5
Stuart, D.A. pf.	.80+♦.80	20	19½	21
Sup. Pete Ord.	2.00	47	..	48
Do. com.	2.00	52	..	..
Do. Pref.	1.50	27½	27	..
Thayers	..	9	8½	..
Do. Pref.	†2.50	35½	36	45
Theatre Props	..	5	5	6
Thrift Stores	1.00	17	16½	17½
Tooke Bros. N.	.40	7½	6	9
Toronto Iron	.60+†.15	9½	9	10
Traders Bldg.	4.00+1.00‡	85	84½	..
Trad. Fin. A	1.00+†.25	..	..	..
Do. 'B'	1.00+†.25	50	45	52
Do. 4½% Pref.	4.50	96	..	98
Do. 'A' rights	1.00	22	21	..
Do. 'B' rights	1.00	21½	..	21
Tuckett Tob. P.	7.00	161	161	..
Un. Amuse 'A'	♦1.50	38	36	..
United Distill	†.60	18	16	18
Viceroy	†.25	10	10½	11
Vir. Dare 5% pf.	1.25	22½	..	22½
Waterous Ltd. 'A'	.80	13	13	14
West Koot. pf.	7.00	172	168	..
West Grain	..	100	75	100
Do. Pref.	..	34½	21½	..
West Grocers pf.	1.40	30½	..	30½
Westmin'r Pap.	.80+†.10	19	19	19½
Willson Stat.	..	700	700	..
Do. Pref.	5.00	90	85	..
Woods Mfg. Pref.	2.00	38½	35	44
York Knit. 'B' N.	..	3½	3½	4

▪Paid in 1946. ‡Extra. xOn arrears. †Paid or payable in 1948. ▲N. Y. funds. ♦Paid in 1947 §Net after income taxes. ♦♦For each 20 shs. held. *Dividend deferred.

	Div. rate $	Last sale	June 18 Bid	Ask
Norgold	...	.03	.02	.03
Normandy	...	.04	..	.04
North. Empire	‡.10	1.50	1.55	2.25
Northland	...	.04	.03½	.03½
Packsack	...	.02	.02	.04
Pato Cons. G.	♦1.40	4.30	..	4.60
Payuka	...	.24	..	..
Pitt G.	...	.07	.05	.08
Powell Rouyn	...	.70	.65	.68
Premier Border	...	.04	.03½	.04
Privateer	...	.20	.19½	.22
Proprietary	.18	14.25	13.62½	16.00
Prospectors Air's	...	.35	.30	.45
Purdy Mica	...	.05½	.04½	.06½
Quatsino	...	.05½	.05	..
Quebec Gold	...	.45	.35	..
Red Cloud	...	.01½	.00½	.02
Red Crest	...	.03	.02½	.05
Red Hawk	...	.02	.02	.03
Reeves McDonald	...	1.90	1.85	1.98
Reno Gold	...	.08	..	.08½
Rice Lake	...	.01	.01	.02
Roche Long Lac	...	.04½	.04½	.05½
Ryanor	...	.05	.05	.06
Scotia Gold	...	.01	..	..
Soma Duv.	...	.10	..	.10
S. American G.	♦*.20	1.10	..	..
Star Lake	...	.00½	.00½	.00½
Sturgeon River	...	.14	.16	.17
Sunloch	...	.10	..	..
Tiblemont	...	.10	..	.20
Utica	...	.16	..	.15
Vananda '48	...	.37	.36	..
Villbona	...	.03	.03	.04
Wellington	...	.03	.02	..
Westville	...	.02½	.02	.02½
Wingait	...	.05	.05	.05½
Winnipeg R. Tin	...	.01	.01	.01½
H. G. Young	...	.25	..	..
Yukon Cons.	...	.70	.57	.80

OIL STOCKS

	Div. rate $	Last sale	June 18 Bid	Ask
Acme Gas & Oil	...	.06	.06	.07
Advance	...	.03	..	..
Arrow	...	.10	..	..
Federated P.	...	.27	.25	.30
Marvel	...	.02	.01½	.02
Merland	...	.04	..	..
New Valley	...	.03½	..	..
Oil Selections	...	.05	.05	.05½
Petrol Oil	...	.12	.13	.25
Richland	...	.04	..	..
Royal Crest	...	.01	.01	.03
South West Pete	...	.55	..	.60
Texas Can.	...	1.50	1.35	..
Vul. Brown	...	.14	..	.25
Warner	...	.12	.11	.14
Wellington	...	.06½	.05	.06

†Paid or payable in 1948.
§Paid in 1947.
‡Paid in 1946. *N.Y. funds.
♦Dividend deferred.

Mining Stocks

	Div. rate $	Last sale	Bid	Ask
Amer. Neph.	...	.31	.30	.34
Ansley	...	.04	.04½	.05
Aquarius	...	.09½	.09	.09½
Beaucourt	...	.12	..	..
Belleterre	.20	6.75	6.00	7.50
Bouzan	...	.04	.02	.04
Brazil Gold	...	.02	..	.03
Broulan Porc.	...	.30	.29	.34
Bunker Hill	...	.05½	.03½	.05
Cartier Malartic	...	.03	.03	.04½
Celta Devel.	...	.06	.06	..
Cent. Manitoba	...	.06½	.06	.07
Coast Copper	...	1.25	1.25	2.00
Cryderman	...	.01	.00½	.01
Cuyuni	...	.15	..	..
Dickstone L.	...	.04	.03	.04
Franceour G.	...	.10	.08	.12
George Copper	...	.12	.10	.13
Golconda	...	.08	..	..
Goldbeam	...	.10	.11	.12½
Gold Lake	...	.01½	.01½	.03
Gold Pan	...	.18½	..	..
Goodfish	...	.03	.03	.04
Grandoro	...	.13½	.13½	.18
Grandview	*§.03	.22	.20	.25
Great Falls M.	...	.00½	.02	.03
Grull Wihksne	...	.04	.04	..
Halliwell Gold	...	.02½	.02	.02½
Hallnor Mines	.28	3.50	3.60	4.00
Heath	...	.08	.07	.08
Int. Mining	...	4.75	..	..
Island Lake	...	.00½	.00½	.02
Island Mountain	§.08	1.15	1.15	1.20
Jacola	...	.02	.01½	.02
Jellicoe	...	.02	.03	.05
Kenville	...	.18	.16	.20
Kerr Lake	§.05	.50	.45	.95
Kirk. Town	...	.16	.14	.16
Kootenay Belle	...	.09	.08	.10
Lake Rowan	...	.08	.07	.10
Lencourt	...	.10	.08½	.12
Link Key	...	.08½	..	..
Lingside	...	.04	.04	.06
Martin McN.	...	.05	.04½	.05
McFinley R. L.	...	.34	..	..
McGillivray C.	...	.12	..	.12
McWatters	...	.13	.12	.15
Mentor Exploration	...	1.00	.30	.70
Minto Gold	...	.01½	.01½	.02
Mosher L. L.	...	.10	.09½	.14
N. Louvre	...	.05	.02	..
Nib. Y'fe.	...	.04½	.04½	.06
Norbenite	...	.11½	.13	.16

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$20.90	$19.78	$15.21
Hogs	29.22	28.97	21.67
Copper, lb.	.21½	.21½	.21½
Sugar, raw, lb.	.0485	.0470	.06185
Coffee, lb.	.26½	.26½	.24
Hides	.31½	.30	.26½
Weekly Indices			
U. S. Labor	164.9	164.2	147.8
Dow Jones	150.02	148.48	125.35
Fishers	172.4	172.5	138.7
Monthly Indices			
Retail (May)	153.3	151.6	133.1
W'sale (Apr.)	148.5	146.9	123.3
U. S. (Feb.)	160.7	165.6	144.6
Gt. Brit. (Mar.)	217.2	216.7	182.6

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good over 1,050 lb., top price, Toronto. Copper - electrolytic, New York. Coffee. No. 4 Santos. Rio Sugar 96 degrees centrifugal c/f New York.

Bond Tenders

12 noon, June 24, 1948, Dominion of Canada Treasury Bills—Payable Sept. 24, 1948, $75,000,000, dated June 25, 1948.

STOCKS NOT TRADED THIS WEEK

	Div. rate $	Last sale	June 4 Bid	Ask
Ang. Can. Tel. P.	2.25	47	46½	47½
Argus warr.	..	75	50	60
Assoc. T. & T. A.	..	10½	..	..
Do. pf.	†▲1.14	63	65	..
Ault & Wiborg p.	5.50	103½	103½	..
Auto Fabric B	.40	5½	..	5½
Barcelona	..	6	2	5
Bates & Innes	1.00	16	16½	17½
Bathurst Pr. 'B'	..	6	4½	7
Beatty Bros.	2.40	41½	41	41½
Beaver Lumb pf.	1.00	30½	30½	31
Belding Cort pf.	7.00	163	153	170
Belgium Glove pf.	1.00	17	..	17
Biltmore Hats	.40+†.20	10	9½	10
Do. 'A'	1.00	18½	17½	20
Blue Ribbon	..	11	11	12
Do. pf.	2.50	53	53	55
Blue Top Br. B	♦.60	20	20	..
Bowes Co. 'B'	†.50	22½	21½	30
Brant. Cord.	.50	11	9	12
Brant Roof.	†.40	17½	15½	20
Brazilian Tr. pf.	6.00	115	113½	..
Br. Am. Bk. Notes	1.00	18	18	18½
B.C. Pulp & Paper pf.	7.00	175	165	175
Burns & Co. 'A'	2.25	28	28	28½
Caldwell Linen	.80	15	13	15
Canada Bread	.10	4½	3½	4
Do. Pref. 'B'	2.50	60	58½	61
Can. Cr. Stone	.40+†.10	8½	8½	..
Can. Forg. 'B'	1.50	41	40	60
Can. Iron Pref.	.60	14½	13½	..
Can. Machine	.50	7	6½	7
Can. Starch Pref.	†3.50	100	..	105
Can. Varnish Pf.	1.25	23	23	23½
Candn. Bronze pf.	5.00	101	104½	..
Canadian Fairb.	1.00+.25	35	33	40
Do. pref.	6.00	143	..	143
Canadian Fire	.80	20	..	..
C. Food Prod. pf.	4.50	85	85	85
Can. Gen. Electric	8.00	246	240	300
Can. G. Sec. 'A'	†1.50	45	36	50
Do. 'B'	†1.50	20	36	..
Can. Ice Mach.	...	5½	5½	6
Can. Int. I. Tr.	..	4½	4	5
Can. Oil 8% pf.	8.00	150	141	150
Do. 4% pf.	4.00	90	..	90
Can. Tire	1.20+†.25	25½	25	26
Can. Utilities	5.00	102	102	102½
Can. Wallpaper 'A'	1.25	19	20	24
Do. 'B'	1.25	20	20	21
C. Wire B. 'A'	1.50+♦.87½	24	24	24½
Capital Estates	♦▲.60	9	9	9½
Cassidy's	..	12	11	..
Do. Pref.	7.00+5.25	130	..	128
Celtic Knit	.30+†.20	5½	5½	7
Cent. Can. L'n.	8.00	201	200	..
Cent. Nor. Air. 'A'	.50	7	..	6
Do. 'B'	..	200	..	250
Chart. Trust	5.00	140	132½	..
Cinzano 'A'	.4½d	175	125	..
Do. 5½% pref.	5½%	4½	4	5
Circle Bar Knit.	..	10	9½	10
Do. 'A'	1.00	18	18	18½
Claude Neon	..	.35	.35	.45
Cochrane-Dun.	..	8	6½	8½
Coll Terminal	.25	8	8	..
Do. Pref.	.25	8	8	8½
Conduits Nat.	.40	6½	6½	7
Cons. Div. Sec. 'A'	..	45	50	100
Cons. Fire Co.	..	5	4½	..
Cons. Litho	†.80	28	27	28
Corr. P Box 5% pf	5.00	98	96	103
Craig Bit pf.	.50	8½	..	9
Crain R. L.	.40	8½	8	8½
Cres. Cream pf.	†5.00	83	83	90
Crown Cork	2.00	37	36	37
Crown Dom. Oil	..	8	8	10
Crown Trust	5.00	118	115	118
David & F. A	1.00+†1.00	32	31½	53
Disher Steel	..	4	3½	4
Do. Pref	†.87½	21½	23	..
Dom. Ang. In.	4.00+3.00	100	110	..
Do. Pref.	5.00	107½	95	104
Dom. Dairies pf.	1.75	24	24½	28½
Dominion Electro	...	5½	4	5
Dominion Fabrics	.80	14	13½	14½
Do. Pref.	3.00	51	51½	52
Do. 2nd Pref.	1.50	26½	26	28
Dominion Glass pf.	1.40	35	34	35
Dominion Malting	1.00	24	24	25
Do. Pref.	5.00	100	100	100½
D. Tar & Ch. V.T.	100	27	27	30
Dom. Textile pf.	7.00	165	..	165
Donnacona P. pf.	4.50	101	100	..
East Koot. Pr.	..	100	..	150
East Theat.	†1.00	21	23	..
Empire Brass	..	20	20	20½
Esmond Mills pf.	1.00	19½	..	19½
Fairchild Air	..	100	90	100
Federal Fire	2.00+†.25	51½	51	52½
Federal Grain	..	5	5½	6
Do. Pref.	†9.00*	98	..	98
Fibre Products	♦.25	8½	8½	8½
Fittings 'A'	.50	11½	12	12½
Fleury Bissell	..	7	6	7
Do. Pref.	†.50	16½	16½	17
Ford Motor 'B'	1.00+†.25	27	25½	29
For Pr. Secs.	..	25	25	100
Freiman	.50+†.25	12	9½	14
Gen. Products 'B'	†.75	21	21	..
Do. Pf.	5.00	100	100½	102
Gord. Belyea	2.50	54½	54½	60
Gould Pumps	▲7.00	65½	105	..
Grafton & Co. 'A'	1.00	19½	19½	19½
Grand & Toy	.60	13	15	..
Great West Felt	..	6½	5½	12
Do. Pref.	.50	8	7½	9½
Great West Life	15.00	350	..	..
Growers Wine	..	180	..	..
Guaranty Trust	5.00	125	125	125
Hahn Brass	.60	9	9	10½
Do. Pref.	1.00	19½	18½	21
Hendershot P. pf.	5.00	99	95	97
Hillcrest Coll.	..	30	..	30
Holt Renfrew	..	45	..	..
Do. Pref.	♦3.50	100	..	..
Ho. De LaSalle	▪.25	15	15	21
Hubbard Felt	†.50	4½	5	6
Do. 'A' Pref.	1.50	24½	..	23
Hunts 'B'	.40	10	8	9½
Huron & E Mt. 20% pf.	5%	21½	21½	22½
Imperial Varnish	.80	15½	15½	..
Do. Pref.	1.50	31	31	..
Indust. Accept. 4¼% pf.	4.25	86	85	..
Inter'c. Coal	†2.00	30	33	..
Do. Pref.	8.00	120	120	..
Inter. Bronze pf.	1.50	25	25½	27
Int. Mill., pf.	▲4.00	104½	104½	..
Int. Nickel pf.	▲7%	140	155	..
Int. Paints pf.	1.20	26½	26½	27½
Int. Paper pf.	▲4.00	106	105½	..
Inv. Found. pf.	3.00	52	52	53½
Jam. Pub. Ser. pf.	7.00	132	125	..
Lk of the Woods pf	7.00	160	..	170
Langleys	..	140	125	150
Do. Pref.	..	60½	57	62½
Levy Bros.	†.10	4½	4	..
Lindsay C. W.	..	10	..	12
Do. Pref.	†4.00	110	110	..
London Can. Inv.	†4.25	50	58	..
Lon. Hose	†.65	7	6½	7½
Do. 'A'	.80	12½	12½	13½
Mackin Steel	..	8	7	8½
Do. Pref.	5.00	85	85	..
Maclaren Pr.	2.00+†.25	42½	42½	44
Man. Sugar Pref.	6.00	94	94	99½
Marcus Loew's	4.00	84½	72	..
McBrine	1.00	18	18	18½
McCabe Grain 'B'	†.20	6	6	7
Mexican Lt. pf.	..	15	..	..
Mitchell, J. S.	3.00	84	83	..
Mod. Contain.	..	13	12	14
Do. 'A'	1.00	19½	..	19½
Mod. Tool	.50	6½	6½	7
Monarch Knit Pref. 4½%	4.50	97	..	100
Montreal Cot.	.50	12	..	12
Do. Pref	1.75	40	38	40½
Mont. Is. Pr.	..	20	80	..
M. L. & Pr. Notes	..	50	50	..
Mont. Rerig. & S.	.30	22½	22½	..
Do. 1st Pref.	1.50	29½	29½	30
Mont. Telegraph	§1.92	45	40	46
Moore Corp. pf. A	▲7.00	286	284	..
Do. Pref. 'B'	▲7.00	429	426	..
Motor Count. C.	..	130	..	..
Murphy Paint	.80	23½	24	27
Nat. Hosiery 'B'	†.30	10½	11	12
N. Sew Pipe 'A'	..	30	27	31
National Trust	1.00	28	25½	28
Neon Prod.				
of W. C.	.50+†.10	12½	12½	..
North Star & Oil Pref.	.35+.08½	5½	5½	6
Nor. Can. Mtge.	†.50	15½	15½	..
Nor. Trusts	.80	17½	16½	18
N.S.L. & Pr.	1.00	19½	20	..
Nuclear Enter.	♦4.00	14½	13½	14
Ont. Beauty Sup.	†.10	1.75	..	2.00
Do. Pref.	1.00+†.10	17½	14	16
Ontario Loan	5.00	120	119	..
Ont. Steel pref.	7.00	131½	129½	..
Ott. L.H. & Pr. pf	5.00	101½	101	..
Pantepec Oil	♦▲.32	19	..	21½
Paton Mfg.	.80	20	20	21½
Do. Pref.	1.40	28	26	..
Penmans pref.	6.00	149	98½	..
People's Cr. Sec.	.25	5½	5½	6
Price Bros. Pref.	4.00	94½	95	101
Purity Flour	.50	10½	9½	10½
Que. Telephone	.40	11	11	12½
Quinte Milk 'A'	.60	9½	9	9½
Do. 'B'	..	160	165	..
Reitman's 5% Pf.	1.00	17	16	17
Regent Knit	.50	26	..	30
Reliance Grain	†.75	25	25	35
River S. Mill 'B'	2.00	15	12½	19
Robertson P.L. pf.	2.50	48	47½	52½
Rolland Pap. Pref.	4.25	101	101	101
Russell Indust. pf.	7.00	605	..	..
Sangamo	.50	10½	10	..
Sarnia Br.	.80	14	14	15½
Scarfe & Co. 'A'	.80	14½	14½	14½
Scythes & Co. pf.	1.25	25½	25½	..
Silknit	.60	16½	15	17
Silv'woods W.D. pf	5.00	99½	99½	..
Simon & Son	1.20	23	23	24½
Do. Pref.	5.00	103	..	..
Slater N. Pref.	2.12	45	45	47½

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

June 22, 1948

%	Due	Bid	Ask
Victory Loans:			
3	June 1951 ...	103¼	103¾
3	Mar. 1954 ...	103⅜	104¼
3	Nov. 1956 ...	103	103½
3	May 1957 ...	102	102½
3	Jan. 1959 ...	101½	101⅞
3	June 1960 ...	100¾	101⅛
3	Feb. 1962 ...	100½	101
1½	Nov. [illegible] ...	100¼	100⅝
3	Oct. [illegible] ...	100¼	100⅝
3	Sept. [illegible] ...	100¼	100⅝
1½	Nov. [illegible] ...	100¼	100⅝
1½	Nov. [illegible] ...	99¾	100¼
Dom. of Canada Bonds:			
2½	Nov. 1951 ...	100¼	101
3½	Feb. 1952 ...	102¾	103½
3	Oct. 1952 ...	101⅞	102¼
3	June 1955 ...	101⅞	102¼
3	June 1958 ...	101¼	102¼
4½	Nov. 1959 ...	103½	104¼
3¼	June 1966 ...	102	103
3	Perpetual ...	98½	99¼
4½	Nov. 1958 ...	100¾	101¼
Dom. Guarant'd Bonds			
Can. Nat. Railways:			
3	Jan. 1959 ...	100¼	101¼
4½	Sept. 1951 ..	*106½	*107½
4½	Feb. 1956 ..	*112	*113
4½	July 1957 ..	*113⅞	*114⅞
4½	June 1955 ..	*112½	*114½
5	Oct. 1969 ..	*108	*109½
5	Feb. 1954 ...	112½	114
5	Feb. 1970 ..	*108½	*110
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955 ..	*112½	*114

%	Due	Bid	Ask
Grand Trunk Pacific Rly.:			
3	Jan. 1962 ..	*100	*102
4	Jan. 1962 ..	*110	*112½
Montreal Harbour Com.:			
5	Nov. 1969 ..	*108	*109½
Provincial Govt. Bonds			
Alberta:			
3½	June 1960/64.	100½	102
3½	June 1959 ...	104	106½
3½	June 1950/72.	101½	102½
3½	June 1956/71.	100½	102
British Columbia:			
2½	Jan. 1967 ...	94½	96
3	Dec. 1960 ...	98½	100½
4½	Jan. 1969 ...	124½	126½
4	Dec. 1967 ...	114	116
5	Apr. 1954 ...	119½	121½
5	Sept. 1953 ...	108½	109½
Manitoba:			
4	Dec. 1967 ...	114½	117
4½	Dec. 1956 ...	118	120
5	Dec. 1959 ...	125	127
2½	Aug. 1962/64.	94½	96½
5½	July 1958 ...	117½	119½
New Brunswick:			
4½	Apr. 1961 ...	115½	118½
5	Jan. 1960 ...	118½	121½
2½	June 1966 ...	91½	92½
3½	Mar. 1958 ...	99½	101
Nova Scotia			
3½	June 1956 ...	101½	103
4½	Nov. 1960 ...	121½	124
5	Mar. 1960 ...	125½	127½
3	June 1956/58.	99½	101½
2½	Sept. [illegible] ...	93½	94½
3½	May 1960/62.	100½	101½

%	Due	Bid	Ask
Ontario:			
2½	Nov. 1965/69.	93½	95½
3	Apr. 1962/65.	98	99½
3½	May 1952/55.	102½	103½
4	June 1962 ...	120	122½
4½	June 1950 ...	104	105
4½	Jan. 1962 ...	125	128
5	Oct. 1948 ...	100¾	101¼
5	Dec. 1960 ...	130½	132½
2½	July 1967/76.	91½	94½
Ont. Hydro Commission:			
4	Aug. 1957 ...	117	119½
2½	June 1961/71.	93½	94½
2½	Oct. 1963/66.	93½	95½
Prince Edward Island:			
4	Mar. 1951/54.	101½	103½
Quebec:			
3½	Mar. 1954/59.	102½	104
3½	Feb. 1952/56.	103½	105
4½	Aug. 1958 ...	109	110½
4½	Jan. 1963 ...	113½	115½
3	Feb. 1960/62.	99½	101
4	Nov. 1950/52.	103½	104½
Quebec Hydro Com.:			
3	Feb. 1969/73.	97½	99½
Saskatchewan:			
4	Nov. 1955/60.	99½	101½
5	Aug. 1958 ...	106½	108½
4½	Mar. 1960 ...	108	110
5	Dec. 1959 ...	110½	112½
5½	Oct. 1952 ...	104½	107½
6	Mar. [illegible] ...	105½	108½
3	Mar. [illegible] ...	91½	92½
3½	Nov. 1960/62.	93	95
3½	Feb. 1960/62.	98½	99½

*New York funds.

Dividends Declared

	This payment $	Date payable	Date of record
Abitibi P & P $2.50 p	.62½	Jul. 1	Jun 1
Do. $1.50 pfd.	.37½	Jul. 1	Jun. 1
Acadia Atlantic A	.25	Jul. 2	Jun. 10
Alum. of Can.	.35	Sep. 1	Aug. 1
Amer. Cyn.	†1.25	Jul. 1	Jun. 4
Anglo-Huronian	.10	Jul. 23	Jun. 25
Anglo-Nfld. Dev.	1.00	Jul. 26	Jun. 16
Asbestos Corp.	.25+.05	Jun. 30	Jun. 8
Ashdown Hdwre. A	.15	Jul. 1	Jun. 10
Assoc. Tel. 6% pf.	†1.14	Jun. 30	Jun. 10
Do. 7% pf.	†1.33	Jun. 30	Jun. 10
Auto Fabrics A	.15	Jul. 2	Jun. 15
Do. B	.10	Jul. 2	Jun. 15
Avalon Tel. 5% pf.	.62½	Jun. 30	Jun. 15
Do. 6% pf.	.75	Jun. 30	Jun. 15
Do. 7% pf.	.87½	Jun. 30	Jun. 15
R. M. Ballentyne 8% pf.	*1.25	Jul. 2	Jun. 1
Bk. of Nova Scotia	.30	Aug. 2	Jul. 16
Beatty Bros.	.60	Jul. 2	Jun. 15
Beaver Lumber	.50	Aug. 2	Jul. 10
Do. A	.25	Jul. 2	Jun. 10
Do. A	.25	Oct. 1	Sep. 10
Do. pf.	.25	Jul. 2	Jun. 10
Do. pf.	.25	Oct. 2	Sep. 10
Beld.-Cort.	1.50	Jul. 2	May 31
Do. pfd.	1.75	Jul. 2	May 31
Belgium Glove	.15	Jul. 2	Jun. 14
Do. 8% pf.	.25	Jul. 2	Jun. 14
Bell Tel.	2.00	Jul. 15	Jun. 15
Biltmore Hats	.10	Jul. 15	Jun. 30
Do. A	.25	Jul. 15	Jun. 30
Brant. Cord.	.12½	Jul. 15	Jun. 20
Do. pfd.	.32½	Jul. 15	Jun. 20
Braz. Tract. pf.	1.50	Jul. 2	Jun. 16
T. G. Bright	.25	Jul. 15	Jun. 30
Br. Amer. Oil	.25	Jul. 2	Jun. 3
Do. 3¾% pfd.	.234375	Jul. 2	Jun. 3
B. C. Forest	.15	Aug. 2	Jul. 28
B. C. Elec. 4% pf.	1.00	Jul. 2	Jun. 29
B. C. Power A	.40	Jul. 15	Jun. 30
B. C. Tele. 1st pf.	1.50	Jul. 1	Jun. 16
Stan. Brock A	.15	Aug. 1	Jul. 10
Burlington Steel	.15	Jul. 2	Jun. 10
Bruck Mills B	.10	Aug. 1	Jul. 10
Building Products	.25	Jul. 2	Jun. 10
Burns & Co. A	.25	Jul. 24	Jul. 7
Do.	.25	July 24	July 7
Do.	.25	Oct. 25	Oct. 7
Do., Cl. B	.25	Jul. 24	Jul. 7
Do., Cl. B	.25	July 24	July 7
Do.	.25	Oct. 25	Oct. 7
Calgary Pwr. 4% pf.	1.00	Jul. 2	Jun. 10
Do. 4½% pf.	*1.12	Jul. 2	Jun. 10
Can. Amer. Tr. Sh.	.11	Jun. 30	coup. 36
Can. Bread	.10	Jul. 2	Jun. 7
Do. 4½% pf.	1.12½	Jul. 2	Jun. 7
Do. B pf.	.62½	Jul. 2	Jun. 7
Can. Dry	.20	Jul. 1	Jun. 15
Do. pfd.	†1.06¼	Jul. 1	Jun. 15
Can. Life Ins.	5.00	Jul. 2	Jun. 30
Can. Mach.	.25	Jun. 28	Jun. 8
Can. Perm. Mtge.	2.00	Jul. 2	Jun. 15
Coup. 32-ex-Jun. 14			
Can. North. Pwr.	.15	Jul. 26	Jun. 18
Can. South. Rlwy.	†1.50	Aug. 2	Jun. 23
Can. Steamship pf.	1.25	Jul. 2	Jun. 4
Can. Trust	2.50	Jul. 2	Jun. 15
Can. Varnish 5% pf.	.31¼	Jul. 1	Jun. 17
Can. Bk. of Comm.	.20	Aug. 2	Jun. 30
Candn. Brew.	.50	Jul. 2	May 31
Candn. Bronze	.50	Aug. 2	Jul. 9
Do. 5% pfd.	1.25	Aug. 2	Jul. 9
Candn. Can.	.31¼	Jul. 2	Jun. 10
Do. 1st pfd.	1.25+.05	Jul. 2	Jun. 10
Do. 2nd pfd.	.15+.10	Jul. 2	Jun. 10
Candn. Cel.	.75	Jun. 30	Jun. 14
Do. 1st pfd.	.25	Jun. 30	Jun. 14
Do. 2nd pfd.	.44	Jun. 30	Jun. 14
Can. Converters A	.18¾	Jul. 31	Jun. 29
Candn. Cot.	.55	Jul. 2	Jun. 4
Do. 6% pfd.	.30	Jul. 2	Jun. 4
Candn. Fairb.-M. pf.	1.50	Jul. 15	Jun. 30
Candn. Fire	.40	Jul. 2	Jun. 18
Candn. Food Prod.	.18¾	Jul. 1	May 28
Do. cl. A	.25	Jul. 1	May 28
Do. 4½% pf.	1.12½	Jul. 1	May 28
Can. For. Inv.	.75	Jul. 2	Jun. 4
Candn. Gen. Elec.	2.00	Jul. 1	Jun. 15
Candn. Gen. Inv.	.20	Jul. 15	Jun. 30
Candn. Indemnity	.50	Jul. 2	Jun. 18
Candn. Ind. Ltd.	.17½	Jul. 31	Jun. 30
Do. pfd.	1.75	Jul. 15	Jun. 30
Candn. Ice Mach. A	.20	Jul. 1	Jun. 15
Candn. Invest. Corp.	.10	Aug. 10	Jul. 5
Can. Oil Cos. 4% pf.	1.00	Jul. 2	Jun. 10
Do. 5% pf.	1.25	Jul. 2	Jun. 10
Do. 8% pf.	2.00	Jul. 2	Jun. 10
Candn. Pac. Rly. pf.	2%	Aug. 2	Jul. 1
Candn. Refract. pf.	1.12½	Jul. 15	Jun. 28
Candn. Silk A	.37½	Jun. 30	Jun. 1
Candn. Vickers pf.	1.75	Aug. 1	Jul. 10
Candn. W. Lumber.	.10	Jul. 15	Jun. 17
Do.	.10	Oct. 15	Sep. 17
Candn. Westingh'se.	.50	Jul. 1	Jun. 14
Candn. Wirebound A	.37½	Jul. 2	Jun. 10
Carnation 3¾% pf.	†.93¾	Jul. 1	Jun. 15
Cassidy's 7% pfd.	1.75	Jul. 2	Jun. 2
Celanese Corp.	†.60	Jul. 1	Jun. 14
Do. 1st pfd.	†1.18¾	Jul. 1	Jun. 14
Do. 2nd pfd.	†1.75	Jul. 1	Jun. 14
Cent. Can. Loan	2.00	Jul. 2	Jun. 19
Chartered Trust	1.25	Jul. 2	Jun. 15
Cockshutt Plow	.25	Dec. 1	Nov. 1
Combined Enter.	.12½	Jul. 15	Jun. 10
Do. 5% pfd.	1.25	Jul. 15	Jun. 10
Confed. Life 30% pd	1.50	Sep. 15	Sep. 10
Cons. Bakeries	.25	Jul. 2	Jun. 9
Cons. Litho.	.40	Jun. 30	May 27
Cons. M. & S.	1.50+3.50	Jul. 15	Jun. 21
Cons. Pap.	.50	Jul. 17	Jun. 2
Cons. Press A	.16¼	Jul. 1	Jun. 15
Consumers' Gas	2.00	Jul. 2	Jun. 15
Craig Bit 5% pf.	.25	Jul. 2	Jun. 18
R. L. Crain	.10	Jul. 2	Jun. 18
Crown Trust	1.25	Jul. 2	Jun. 18
David & Frere A	.25+.25	Jun. 30	Jun. 15
Detroit Intnl. Bridge	†.40	Jun. 30	Jun. 4
Dome Mines	.17½	Jul. 30	Jun. 30
Dom. Bank	.35	Aug. 2	Jul. 15
Dom. Coal 6% pf.	.37+.38	Jul. 21	Jun. 23
Dom. Dairies	.12½	Jul. 15	Jun. 30
Do. 5% pfd.	.44	Jul. 15	Jun. 30
Dom. Foundries	.35	Jul. 2	Jun. 10
Dom. Glass	.25	Jul. 15	Jun. 22
Do. pf.	.35	Jul. 15	Jun. 26
Dom. Malting	.25	Aug. 1	Jul. 5
Do. 5% pfd.	1.25	Aug. 1	Jul. 5
Dom. Oilcloth	.40	Jul. 30	Jun. 30
Dom. Square	.50	Jul. 15	Jul. 1
Dom. Tar & Chem.	.25	Aug. 2	Jul. 2
Do. pfd.	.25	Jul. 2	Jun. 4
Dom. Textiles	.15	Jul. 2	Jun. 4
Do. 7% pfd.	1.75	Jul. 15	Jun. 15
Donnell & Mudge	.30	Jul. 1	Jun. 10
Do. Cl. A	.25	Jul. 1	Jun. 10
Dunlop Tire & R. pf.	.62½	Jun. 30	Jun. 15
East. Can. Sav & L.	1.50	Jul. 2	Jun. 20
East-Leduc Oil	.01½	Jul. 2	Jun. 2
East. Trust	2.00	Jul. 1	Jun. 20
Easy Washing	.25	Jun. 26	Jun. 11
Econ. Invest. Tr.	.50 ext.	Jul. 15	Jun. 30
Empire Brass A	.25	Jul. 15	Jun. 30
Enamel & Heating	.50	Jul. 31	Jun. 30
Essex Packers pf. 5%	.62½	Jul. 2	Jun. 14
T H. Estabrooks pf.	.28	Jul. 15	Jun. 19
Evans Coleman A	.15	Jul. 2	Jun. 25
Do. B	.05	Jul. 2	Jun. 25
Falconbridge Nick.	.10	Jun. 29	Jun. 5
Famous Players	.25	Jun. 26	Jun. 11
Fanny Farmer	†.37½	Jun. 30	Jun. 15
Fashion-Craft pf.	1.25	Jul. 2	Jun. 20
Fed. Fire Ins.	1.00	Aug. 16	Aug. 12
Fernie Brew.	.30+.40	Jul. 2	Jun. 15
Fibre Products pf.	.50	Jul. 2	Jun. 15
Fittings Ltd. A	.30	Jul. 1	Jun. 1
Foundation Co.	.25	Jul. 22	Jun. 30
Fraser Cos.	.75	Jul. 26	Jun. 30
Gat. Pwr.	.30	Jul. 1	Jun. 1
Do. 5% pf.	1.25	Jul. 1	Jun. 1
Do. 5½% pf.	1.38	Jul. 1	Jun. 1
Gen. Products pf.	2.50	Jul. 15	Jun. 25
Goderich Elev. & Tr.	.50	Jul. 2	Jun. 15
Goodyear Tire	1.00	Jul. 2	Jun. 10
Gould Pumps pf.	†1½%	Jul. 1	Jun. 20
Grand & Toy	.15	Jul. 2	Jun. 20
Gt. Lakes Pap.	.40	Jun. 30	Jun. 12
Do. A	.62½	Jun. 30	Jun. 12
Do. B	.30	Jun. 30	Jun. 12
Gt. West Felt pf.	.12½	Jul. 1	Jun. 15
Gt. West Life	3.75	Jul. 2	Jun. 18
Guarantee Co.	1.50+2.00	Jul. 15	Jun. 30
B. Greening	.08	Jul. 2	Jun. 1
Guelph & Ont. Sav.	1.25	Jul. 2	Jun. 20
Guelph Trust	1.25	Jul. 2	Jun. 20
Gypsum, Lime	.25	Sep. 7	Jul. 31
Do.	.30	Dec. 1	Nov. 30
Hahn Brass	.50	Jul. 1	Jun. 10
Do. pfd.	.50	Jul. 1	Jun. 10
Hamilton Bridge	.12½	Jul. 2	Jun. 15
Harding Carp.	.20	Jul. 2	Jun. 15
Hendershot Pap.	.25	Jul. 2	Jun. 15
Highland Bell	.03	Jul. 2	Jun. 17
Hinde & Dauch	.25	Jul. 2	May 31
F. W. Horner A	.12½	Jul. 2	Jun. 2
Howard Smith	.30	Jul. 30	Jun. 30
Do. pfd.	.50	Jul. 20	Jun. 20
Hubbard Felt	.25	Jul. 1	May 21
Do. A	.75	Jul. 1	May 21
Hollinger Cons.	.06	Jun. 30	Jun. 2
Hudson Bay M & S	1.00	Sep. 13	Aug. 13
Hunts A & B	.10	Jul. 2	Jun. 15

Dividends Declared (cont'd)

	This payment $	Date payable	Date of record
Huron & Erie Mtge.	1½%	Jul. 2	Jun. 15
Hydro Elec. Sec.	.20	Aug. 2	Jun. 9
Do. pf.	.25	Aug. 2	Jun. 30
Imperial Bank	.25	Aug. 2	Jun. 30
Imperial Tobacco	.10	Jun. 30	May 18
Do. 4% pf.	.25	Aug. 2	Jun. 22
Ind. Accept.	.50	Jun. 30	Jun. 10
Do. 4½% pfd.	1.06¼	Jun. 30	Jun. 10
Ind. Mtge. & Tr.	1.25	Jul. 2	Jun. 15
Ingersoll Mach. A	.12½	Jul. 2	Jun. 20
John Inglis	.10	Jul. 1	Jun. 21
Inter-City Baking	.75	Jun. 30	Jun. 16
Intercolonial Coal	2.00	Jul. 2	Jun. 20
Do. 8% pf.	4.00	Jul. 2	Jun. 20
Int. Bronze pf.	.37½	Jul. 15	Jun. 25
Intnl. Holdings	.60	Aug. 16	Jul. 15
Intnl. Metal Ind. A	.40	Jul. 2	Jun. 9
Do. B	.40	Jul. 2	Jun. 9
Do. 4½% pfd.	1.12½	Jul. 2	Jun. 9
Intnl. Milling pf.	†1.00	Jul. 15	Jun. 30
Intnl. Nickel 7% pf.	†1¾%	Aug. 2	Jul. 6
Int. Paper	†1.00+.25	Jun. 30	Jun. 8
Do. pfd.	†1.00	Jun. 30	Jun. 8
Intnl. Power 5% pf.	*.62½	Jul. 1	Jun. 10
Int. Utilities	†.25	Sep. 1	Aug. 12
Invest. Found. pf.	.75	Jul. 15	Jun. 15
Jam. Pub. Ser.	.25	Jul. 2	May 28
Do. pfd.	1.75	Jul. 2	May 28
Journal Pub.	.20	Jul. 15	Jun. 18
Kerr-Addison	.03	Jun. 29	May 31
John Labatt	.35	Jul. 2	Jun. 14
Lambton Loan	1.50	Jul. 2	Jun. 14
J. A. Lang	.25	Jul. 2	Jun. 10
Laura Secord	.20	Sep. 1	Aug. 2
L'rentide Accept. p.	.25	Jul. 31	Jul. 15
Leduc-West Oil	.04	Jul. 2	Jun. 30
Lewis Bros	.25	Jul. 31	Jun. 30
C. W. Lindsay pf.	4.00	Jul. 1	Jun. 1
Lon. Hose	.15	Jul. 1	Jun. 15
Do. A	.20	Jul. 1	Jun. 15
Louisiana Land	†.25	Jun. 15	Jun. 9
W. M. Lowney	.25	Jul. 15	Jun. 15
MacMillan Ex. A	.12½	Jun. 30	Jun. 10
Do. B	.07½	Jun. 30	Jun. 10
McBrine pfd.	.50	Jul. 1	Jun. 12
McCarthy Milling A	.37½	Jul. 2	Jun. 14
Do. B	.07½	Jul. 2	Jun. 14
McColl-Front. 4% pf	1.00	Jul. 20	Jun. 30
McIntyre-Porc.	.50½	Sep. 1	Aug. 3
McLennan, McFeeley & Prior pf.	1.12½	Jun. 30	Sep. 21
Do.	1.12½	Sep. 30	Sep. 20
Do.	1.12½	Dec. 31	Dec. 20
Maple Leaf Gdns.	.25	Jul. 15	Jul. 2
Marcus Loew's	1.00	Jun. 30	Jun. 10
Mar. Tel.	.20	Jul. 15	Jun. 19
Do. 7% pf.	.17½	Jul. 15	Jun. 18
Melchers pf.	.30	Jun. 30	May 31
Minas Basin P. & P.	.37½	Jul. 2	Jun. 15
Minn. & Ont. Pap.	†.50	Jul. 20	Jun. 20
J. S. Mitchell	.75	Jul. 2	Jun. 16
Mod. Containers A	.25	Jul. 2	Jun. 20
Molsons Brew.	.25	Jun. 25	Jun. 14
Monarch Knit.	.25	Jul. 1	May 31
Do. 4½% pfd.	†1.12½	Jul. 1	May 31
Monarch Life	6%	Jul. 2	Jun. 15
Mtl. C. & D. Sav. Bk.	.25	Jul. 2	Jun. 1
Montreal Locomo.	.20	Jul. 2	Jun. 4
Mtl. Refrig. & Stor.	.30	Jun. 30	Jun. 14
Mtl. Tel.	†.48	Jul. 15	Jun. 15
Mtl. Trust	1.00	Jul. 15	Jun. 15
Moore Corp.	.75	Jul. 2	Jun. 30
Do., 4% pf.	.25	Jul. 2	May 28
Do. 7% A & B pf.	†1.75	Jul. 2	May 28
Murphy Paint	.20	Jun. 30	Jun. 17
Nat. Biscuit	†.40	Jul. 15	Jun. 8
Do. 7% pf.	.44	Jul. 2	Jun. 9
Nat. Grocers	.15+.20	Jul. 2	Jun. 10
Do. pfd.	.37½	Jul. 1	Jun. 4
Nat. Hose A	.15	July 1	Jun. 4
Do.	.15	Oct. 1	Sep. 3
Do.	.15	Oct. 1	Sep. 3
Do. B	.15	Jul. 1	Jun. 14
Do.	.15	Jan. 1	Dec. 3
Nat. Steel Car	.37½	Jul. 15	Jun. 15
Nat. Trust	.25	Jul. 2	Jun. 15
N. B. Tel.	.25	Jul. 15	Jun. 30
New Eng. Elec. Sys.	†.25	Jul. 1	Jun. 14
Niagara W. Weav.	.40	Jul. 2	Jun. 8
Normetal	.05	Jun. 30	Jun. 5
Nor. Can. Mtge. pf.	.50	Jul. 2	Jun. 16
North Star Oil pf.	.08¾	Jul. 2	Jun. 11
North West Brew.	.15	Jun. 30	unstated
Do.	.15	Sep. 30	unstated
N. S. Light	.25	Jul. 2	Jun. 14
Ogilvie Flour	.25	Jul. 2	[illegible]
Ont. Beauty Sup.	.10	Jul. 2	May 25
Do. pfd.	.25+.10	Jul. 2	Jun. 20
Ont. Loan	1.25	Jul. 2	Jun. 15
Ont. Steel	.25	Aug. 14	Jul. 15
Do. 7% pfd.	1.75	Aug. 14	Jul. 15
Ottawa El. Rly.	.25	Jul. 2	Jun. 1
Ottawa L. H. & Pr.	.15	Jul. 1	Jun. 2
Do. pfd.	1.25	Jul. 1	Jun. 1
Page-Hersey	.40	Jul. 1	Jun. 15
Penmans Ltd.	.75	Aug. 16	Jul. 15
Do. 6% pf.	1.50	Aug. 2	Jul. 2
People's Cred. Sec.	.25	Jul. 15	Jun. 30
Perron Gold M.	.01	Jul. 1	Jun. 18
Pickle Crow.	.10	Jun. 30	May 31
Power Corp.	.30	Jul. 31	Jun. 30
Do. 1st pfd.	1.50	Jul. 15	Jun. 18
Do. 2nd pfd.	.75	Jul. 15	Jun. 18
Premier Trust	1.00	Jun. 30	Jun. 19
Price Bros. 4% pf.	2.00	Jul. 1	Jun. 1
Preston E. D.	.01½	Jul. 15	Jun. 15
Proprietary	.03	Jul. 9	Jun. 9
Regent Knit. Mills	.40	Sep. 1	Aug. 13
Do.	.40	Dec. 1	Nov. 12
Remington Rand	†.40	Jul. 1	Jun. 8
Do. pfd.	†1.12½	Jul. 1	Jun. 8
Renfrew Text. A	.15	Jul. 1	Jun. 10
Riverside Silk A	.50	Jul. 2	Jun. 14
Do. B	.50	Jul. 2	Jun. 14
Robertson P. L.	.50	Jul. 1	Jun. 19
Do. pfd.	.62½	Jul. 1	Jun. 19
Robinson Cot.	.10	Aug. 2	Jul. 1
Robinson Little A	.60 spec	Jun. 30	Jun. 15
Russell Ind.	.17½	Jun. 30	Jun. 11
Do. 7% pfd.	1.75	Jun. 30	Jun. 11
Saguenay Pwr. pfd.	1.06	Jul. 1	Jun. 9
St. Lawrence Flour	.40	Aug. 2	Jun. 30
Do. pfd.	1.75	Aug. 2	Jun. 30
Schultz Die Cast. pf.	.62½	Jul. 1	Jun. 15
Shaw. W. & P. 4% A pfd.	.50	Jul. 2	Jun. 2
Sheep Creek	.01½	Jul. 15	Jun. 30
Sher.-Williams	.20	Aug. 1	Jul. 2
Sher.-Wil'ms 7% pf.	1.75	Jul. 2	Jun. 10
Sicks' Brew.	.25	Jun. 30	May 31
Sigma Mines	.20	Jul. 28	Jun. 28
Silverw'd Dairies A	.15	Jul. 2	Jun. 10
Do. West. Dair. pf.	1.25	Jul. 2	Jun. 10
Simpsons A	.75	Aug. 25	Jul. 23
Do. B	1.50	Aug. 25	Jul. 23
Springer Sturgeon	.03	Jul. 5	Jun. 15
South. Can. Pwr.	.30	Aug. 16	Jul. 20
Do. pfd.	1.50	Jul. 15	Jun. 18
Stand. Chem.	.10	Sep. 1	Jul. 30
Do. 5% pf.	1.25	Sep. 1	Jul. 30
Stand. Radio A & B	.10	Jul. 1	Jun. 21
Stand. Tie & T. W. p	2.50	Jul. 2	May 31
Stedman Bros.	.15	Jul. 15	Jun. 15
Steel Co.	.75	Aug. 2	Jul. 7
Do. pfd.	.75	Aug. 2	Jul. 7
Sterling Trust	1.25	Jul. 2	Jun. 15
Supertest ord. & c.	1.00	Jul. 15	Jun. 25
Do. 6% pf.	.75	Jul. 15	Jun. 25
Stovell Press pf.	.12½	Jul. 15	Jun. 30
Sun Life	5.00	Jul. 1	Jun. 15
Sun Publishing pf.	1.12½	Jul. 1	Jun. 15
Sylvanite	.01½	Jul. 2	Jun. 2
G. Tamblyn	.25+.05	Jul. 2	Apr. 30
Do. 4% pf.	.50	Jul. 2	Jun. 11
Thrift Stores	.25	Jul. 2	Jun. 11
Tip Top Tailors	.07½	Jul. 2	Jun. 21
Tooke Bros.	.10	Jul. 3	Jun. 1
ex-div. Jun. 16 on M.S.E.			
Tor. Gen. Trust	1.75	Jul. 2	Jun. 11
Tor. Iron Wks.	.15	Jul. 2	Jun. 15
Do. A	.15	Jul. 2	Jun. 15
Toronto Mtge.	1.25	Jul. 1	Jun. 15
Traders Fin. A & B	.50	Jul. 2	Jun. 15
Do. 4½% pf.	1.12½	Jul. 2	Jun. 15
Tuckett Tob. 7% pf.	1.75	Jul. 15	Jun. 30
United Fuel A pf.	.75	Jul. 15	Jun. 30
Unit. Serv. Corp. pf.	.17½	Jul. 2	Jun. 10
United Steel	.12½	Jun. 30	Jun. 10
Upper Can.	.02½	Jun. 30	Jun. 1
Vanc. Pap. A	.12½	Aug. 1	Jul. 15
Verney Mills pf.	.56	Jul. 1	Jun. 5
Viau Ltd.	.25	Jul. 2	Jun. 10
Do. 5% pf.	1.25	Jul. 2	Jun. 21
Victoria Tr. & Sav.	1.50	Jul. 2	Jun. 15
Wabasso Cot.	1.00	Jul. 2	Jun. 12
Waterloo Tr. & Sav.	2.50	Jul. 2	Jun. 23
Waterous	.20	Jul. 15	Jun. 30
Wellington Fire Ins.	1.75	Aug. 16	Aug. 12
West. Brew.	.40	Jul. 15	Jun. 30
Western Grocers A	.50	Jul. 15	Jun. 30
Do. pf.	.35	Jul. 15	Jun. 15
Geo. Weston	.25	Jul. 2	Jun. 10
Willson Stat. pf.	1.25	Jul. 15	Jun. 30
Wilsil Ltd.	.25	Jul. 2	Jun. 2
Winnipeg Elec.	.50	Jun. 30	May 14
Do. 5% pfd.	2.50	Jun. 30	May 14
Woods Mfg.	.50	Jun. 30	May 31
Wood Combing	.40	Jul. 10	Jun. 25
Wright-Har	.04	Jul. 2	May 27
York Knit. Mills A	*.30	Jun. 30	Jun. 18

†N. Y. funds. *Initial. ‡After 3-for-1 stk. split. §Participating div. ‖Sub. to approval of FECB. ▲Net payment after deducting corporate income tax.

Market Comment

What stocks and bonds are doing and what prominent observers say.

Early this week it appeared as if the long-anticipated technical market setback was under way. All stock averages on both Canadian and U. S. exchanges were off moderately from previous week end. Confusing, however, was the late Tuesday strength in the New York rails, which resulted in a day's gain of 1.2 points. Continued buoyancy here could very well reverse the current market picture.

Cited as factors in New York uneasiness, was continuing uncertainty regarding a possible coal strike, and a Washington amendment to the draft law, whereby President Truman was given authority to allocate steel for defense and to establish priorities in other essential materials. Other market analysts, however, were saying that the market had been displaying a "tired" appearance for several days now and that it just needed large-scale stock offerings to depress prices in many issues. But strong potential buying support is indicated at slightly lower prices in most key issues, they add.

This week Canadian gold averages touched their lowest levels since 1943. Continued absence of any important near-term development which might improve earnings prospects plus the "pull" of attractive yields in industrial issues, has taken its toll on the gold market.

* * *

G. C. Knowles: Milner Ross & Co. (Toronto): The strong upturn which commenced in New York in mid-March has been followed by a sideways movement since middle of May. We expect that after a period of consolidation, the upturn will be resumed.

There is little doubt that production of soft goods has levelled off and may decline moderately. However, heavy industry is due to stay at or near capacity for an extended period. As long as this is the case no serious drop in business should be seen.

In support of higher security prices we have (1) record corporation earnings (2) a substantial increase in the value of fixed assets of most companies, due to higher replacement costs.

As examples of an industry whose assets have had a substantial increase in value, we have the paper companies. Replacement costs of their plants have doubled since 1940 while their timber limits, which are carried at nominal values, have also appreciated substantially in value.

At the present time the average yield of 56 industrial common stocks on the Toronto Stock Exchange is 5.25%. Yet the average yield of nine paper stocks is 6.9%. We think the paper group should outperform the balance of the market during the next two years.

* * *

W. E. Dugan; Laidlaw & Co. (New York): We remain of the opinion that the market is in a broad long-term upswing but that further consolidation of the recent sharp gains is in order over the near term. Beyond that point we believe the market has more justification for the averages penetrating the 1946 highs than was the case when that level was attacked two years ago. The industrial output that the market was anticipating at that time is now materializing, and should roll up into new record levels.

* * *

Stanton Hatch & McCarthy (Toronto) has just completed a survey of the common stocks of over 100 prominent Canadian corporations. Activity for almost every company included in this study is continuing at capacity in order to meet the heavy demand which still persists, the report states. Steel producers are being taxed to the fullest degree, building materials continue in short supply, automobile manufacturers are far from meeting the demand for cars, commodities of all kinds are not yet sufficient to satiate the demand of consumers, shortage of power has never been so prevalent as in the past year, it is said.

* * *

Barron's; The Trader (New York): The Iron Age aptly depicts the feverish state of the steel industry, viz.: "Current heavy demand is setting a pattern which supports the view that by the time the Marshall Plan and the defense program are under way, we might as well be at war, as far as availability of steel is concerned. Steel sales officials have finally thrown up their hands in amazement at the continual stream of orders."

New Highs & Lows

During the week ended June 19, 53 new highs were recorded among the "general" stocks traded on Canadian Stock Exchanges, and five new lows. In the mining group there were 10 new highs and 38 new lows; three new highs and three new lows among the western oils.

GENERAL

New Highs—1948

Acme Glove
Ang. Newf'dland.
Beaver Lumber
Brand. Henderson
Brown & Co. Pfd.
Burlington Steel
Candn. Car & Fdry
Candn. Celanese
Do. $1 Pfd.
Candn. Cutt.
Do. Pfd.
Candn. Lt. & Pwr.
Candn. Oil 5% Pf.
Candn. Vickers
Do. Pfd.
Cons. Press 'B'
Cons. Smelters
Cons. Textiles
Do. Pfd.
Dom. Coal Pfd.
Dom. Square
Dom. Woollens
Enam. & Heating
Gatineau Pwr. 5½% Pfd.
Goodyear Tires
Ind. Accept. 'A'
Inter-City Baking

Int. Nickel
Int. Pete.
Int. Utilities
John Labatt
Monarch Life 30% Pd.
Nat. Grocers Pfd.
Wm. Neilson Pfd.
Ottawa Lt. Ht. & Power
Page Hersey
Robinson Little
St. Law. Pap. Pf.
Shawinigan Pwr.
Sherwin Will. Pfd.
Sicks Brew.
Simpsons 'A'
Do. 'B'
So. Can. Pwr.
Stand. Radio
Taylor Pearson Pf.
Tip Top Tailors
United Amuse. 'B'
Do. V.T. 'A'
United Corp. 'B'
United Securities
Wabasso Cotton
Westeel

New Lows—1948

Agnew Surpass
Can. Starch
Ind. Accept. 5% pf.

Silverwoods 'B'
Tor. Mortgage

MINING

New Highs—1948

Callinan
Castle Treth.
Cortez
Eldona
L. Dufault

N. Calumet
Nicholson
North Inca
Placer Dev.
Waite Amulet

New Lows—1948

Alta
Amal. Larder
Bidgood
Can. Mal.
Candego
Chesterville
Dome
Duquesne
East Mal.
Goldhawk
Golden A.
Hasaga
Hollinger
Hugh Malartic
Kelore
K. Addison
Kirk. Lake
Lake Shore
Little L. L.

Lunward
MacLeod
McIntyre
McKenzie R. L.
McMarmac
N. Marion
Omnitrans
Paramaque
Rochette
Santiago
Shawkey
Sigma
Sladen Mal.
Taku
Union Mining
Vicour
Winora
Y'ke Bear
Ymir Girl

OILS

New Highs—1948

Atlantic
Cent. Leduc

Phillips P.

New Lows—1948

Admiral
Alliance

N. Pacalta

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

June 22, 1948

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
‡Alg. Cen. H.B.R.	5	'59	65	69	65½
†Assoc. Tel. & T.	5½	'55	109	...	109
Bell Telephone.	3	'77	96	99	96½
B. C. Electric.	3½	'67	93	96	93
Calgary Power.	3½	'72	95	98	95
East Kootenay	3½	'67	94	97	94
‡Gatineau Pr. D	3½	'70	97	100	97
*Do., C	3	'75	95	...	95
Gt. Lakes Pwr.	3½	'67	94½	97½	94½
*Int. Hydro-El.	6	'44	67	70	67
L. St. Law. Pr.	3½	'65	98	101	98
Maclaren-Quebec Power	3	'69	95	...	94½
†Mtl. Trams. A	5	'55	96½	101	96½
Nat. Lt. & Pr.	4½	'61	99½	...	99½
Nor. Que. Pr.	4½	'67	97½	100½	97½
Ott. L.H. & P.	4	'57	100	...	100
Power Corp.	3½	'67	95	98	95
Quebec Pwr.	3	'62	96½	99½	96½
*Saguenay Pr.	3	'71	97½	...	96
St. Maurice Pr.	3½	'70	95½	98½	95½
Shaw. W. & Pr.	3	'61	98	101	98
Shaw. W. & Pr.	3	'71	95	98	95
Do.	3½	'70	99½	102½	100
Union Gas	4½	'50	99½	102½	99½
Un. Fuel Invest.	4	'59	99	...	99
United Secs.	3	'52	98½	...	98½
Wpg. El.	3½	'71	101	104	101
Industrial and Realty Issues:					
Abitibi Pr. P.	3½	'67	97½	100½	97½
Acadia-Atlantic Sugar	3½	'65	100	103	100½
Aluminum Co.	3½	'74	101	104	101
Bathurst P. & P.	3½	'68	98	101	98
B. C. For. Pdcts.	4	'66	93½	96½	93½
B. C. Pulp & P.	3½	'67	95	98	95
Bowater's Nfld. P. & P.	3½	'63	96½	99½	97
Brompton P. & Paper	3½	'66	95	98	95
*Brown Co.	5	'59	101½	104½	101½
Burns & Co.	4	'63	98	101	98
Can. Steamship	3½	'67	101	104	101
Can. Brews.	3½	'67	93½	96½	94
Can. Celanese	3	'62	96	99	96
Can. Oil	3½	'62	97½	100½	98
Can. West Lum.	4	'62	99½	102½	99
Chateo Stl. Prod.	4	'67	91	95	91
C. P. R.	3½	'51	102	105	102
Do.	4	'49	101	...	101½
*C. P. R.	4	Perp.	108	...	109
Consol. Paper	3½	'67	100	103	100
Dom. Coal	4½	'62	100	...	100
Dom. T. & Ch.	3½	'57	100	...	100½
Dom. Textile	3½	'69	101½	...	101½
Dom. Woollens	5	'64	100½	103½	100
Dryden Pap.	4	'61	99½	102½	99½
E. B. Eddy	3½	'66	95	98	95
English Elec.	4	'66	100	103	100
Federal Grain	4	'67	94½	...	94½
Gt. Lakes Pap.	3½	'64	98	101	98
Imperial Tobac.	3½	'67	98	...	98
Indust. Accept.	3½	'66	95	98	95
Lake St. J. P.	3½	'66	93	96	93
Do.	5	'61	101	...	101
Lang, John A.	4½	'62	101	104	101
Laurentian Silk	4½	'67	99	...	99
MacMillan (H. R.) Export	4	'65	100	103	100½
Maple L. M.	3½	'63	98½	102	98½
Massey-Harris	3	'66	92½	95½	93
McColl Fron.	3	'71	95	98	95
McCormicks	4	'52	99½	...	99½
Mercury Mills	4	'63	99½	103½	99½
Monarch Knit.	4	'66	99½	103½	99½
Morgan (Henry) Prop.	3½	'67	94½	...	94½
N.S. Stl. Coal	3½	'63	96	99	96
Penman's	3½	'66	98	101	98
Price Bros.	3½	'66	98	101	99
Silv. Dairies	4	'60-64	97	101	97
Do.	4	'71	94	98	94
Simpsons Ltd.	3½	'60	101	104	101
Steel Co. of Can.	2½	'67	93½	96½	94
Toronto Elevat.	3½	'66	98	...	98
United Corp.	4	'58	99	...	99
United Steel	4	'60	98	102	98½
Untd. Grain Gr.	4	'63	99½	...	99½
†Western Grain.	5	'63	75½	79½	75½
York Kt. Mills	3½	'71	90	94	90

*Payable in Can. or U.S.
†Payable in Can., U. S. or U. K.
‡Payable in U. S.
§Payable in Canada only.
▲Payable in Canada or U. K.

Record of Financing

Sales by Municipalities, Provincial and Dominion Government. Offerings of Corporations and Foreign Securities.

DOMINION

Dominion of Canada Treasury Bills—Due Sept. 10, 1948, $75,000,000, issued June 10, 1948. Sold at $99.89749 to yield .412%.

MUNICIPAL

School Commission of Charny, Que.—3% debentures, due July 1, 1949-63, $115,000 issued June 8, 1948. Sold at $98.87 to Grenier, Ruel & Co. Inc.

City of Saskatoon, Sask.—3¼%, 3½% and 3¾% debentures, due Jan. 1, 1949-58-68-78, $416,000, issued June 10, 1948. Sold at $99.30 to Bell, Gouinlock & Co., Ltd.

City of St. Thomas, Ont.—3% and 3¼% debentures, due June 15, 1949-58-68 and July 15, 1949-68, $350,000, issued June 14, 1948. Sold at $100.83 to McLeod, Young, Weir & Co., Ltd.

City of Kingston, Ont.—3% debentures, due Jan. 1 and July 1, 1949-58, $312,500, issued June 14, 1948. Sold at $101.63 and $101.71 to Wood, Gundy & Co., Ltd. and Royal Bank.

City of Peterborough, Ont.—3¼% debentures, due June 30, 1949-68, $200,000, issued June 14, 1948. Sold at $101.65 to Bell, Gouinlock & Co., Ltd.

City of Cornwall, Ont., Separate School Board—3½% debentures, due May 1, 1949-68, $168,000, issued June 14, 1948. 1959-68 maturities offered at $100 by Harris, MacKeen, Goss & Co.

CORPORATE

Lake St. John Power and Paper—3½% first mortgage sinking fund bonds, series B, due July 2, 1961, $2,981,000, dated June 1, 1948. Sold at $100 and accrued interest to W. C. Pitfield & Co., Ltd. and Dominion Securities Corp. These bonds have already been sold.

Hydro - Electric Power Commission of Ontario (Guaranteed by the Province of Ontario — 3% bonds, due July 2, 1964, $40,000,000 dated July 2, 1948. Offered at $99 and accrued interest to yield 3.08% by McLeod, Young, Weir & Co., Ltd.; Bell, Gouinlock & Co., Ltd.; Mills, Spence & Co., Ltd.; Royal Securities Corp. Ltd.; McTaggart, Hannaford, Birks & Gordon Ltd.; Harrison & Co., Ltd.; Matthews & Co.; Burns Bros. & Denton Ltd.; Gairdner & Co., Ltd.; Bartlett, Cayley & Co., Ltd.; J. L. Graham & Co., Ltd.; Fleming & Co.; Wood, Gundy & Co., Ltd.; Dominion Securities Corp. Ltd.; A. E. Ames & Co., Ltd.; Midland Securities Ltd.; Cochran, Murray & Co., Ltd.; Fry & Co.; Collier, Norris & Quinlan Ltd.; R. A. Daly Co., Ltd.; Anderson & Co.; Brawley, Cathers & Co.; Charles H. Burgess & Co.; A. M. Ramsay & Co.; Fairclough & Co., Ltd.

Municipal Bonds

June 22, 1948

	Coup. %	Matur.	Bid $	Ask. $	Yld. %
Victoria	3¾	'55-66	98	101	3.60
Vancouver	3	'67	93	96	3.27
Calgary	3½	'51-61	99	101	3.12
Edmonton	3½	'49-59	99	101	2.67
Regina		'64	92	95	3.39
Moose Jaw	3-3½	'60	97	99	3.27
Winnipeg	2¾	'66	93	96	3.03
Ottawa	3	'54	101	103	2.48
Toronto	2¾	'72	92	95	3.05
Hamilton	3	'53	101½	103½	2.25
Windsor	2½	'75	72½	75½	3.95
Quebec	2¾	'66	90	93	3.26
Halifax	3	'66	95	97	3.22
Saint John	3½	'65	100	103	3.27
Windsor	2¾	'75	76	79	4.00
Windsor	3½	'75	89	92	3.98
Montreal	3	'70	93	96	3.25

Quebec Labrador Crew Arrives At Property

The 21-man crew and supplies have arrived on the Labrador concession of Quebec Labrador Development Co., The Financial Post is advised. Dr. W. G. Wahl, chief geologist, is reported to have found numerous outcrops of iron formation in an area 20 miles long and 10 miles wide in the southern part of the concession. Structural conditions of the formation are reported by Dr. Wahl to be favorable to deposition of hematite.

CROWSHORE PATRICIA GOLD MINES plans starting a cross-sectional diamond drilling program on its main property as well as on the other group 20 miles to the north. A geophysical survey completed on the northerly group is reported to have disclosed an interesting anomaly paralleling Central Patricia formations. Two quartz veins outcropping are to be tested.

Company Meetings

1948	Company	Place
June 24	Chateau Gai	Toronto
June 24	Candn. For. Invest.	Montreal
June 24	Dom. Stores	Toronto
June 24	Great West Coal	Brandon, Man.
June 24	Paton Mfg.	Montreal
June 24	Sylvanite Gold	Kirkland Lake
June 24	Union Gas	Chatham, Ont.
June 25	East Koot. Pwr.	Montreal
June 25	Great West Felt	Elmira, Ont.
June 28	Dexter Red Lake	Toronto
June 29	Can. Cottons	Montreal
June 29	Ogama-Rock.	Winnipeg
June 29	Standard Chemicals	Toronto
June 30	Mexican Lt. & Pr.	Toronto
July 7	St. Lawr. Corp.	Montreal
July 8	St. Lawr. Pap. Mills	Montreal
Sept. 24*	Beauharnois L & P.	Montreal

*Adjourned from May 27.

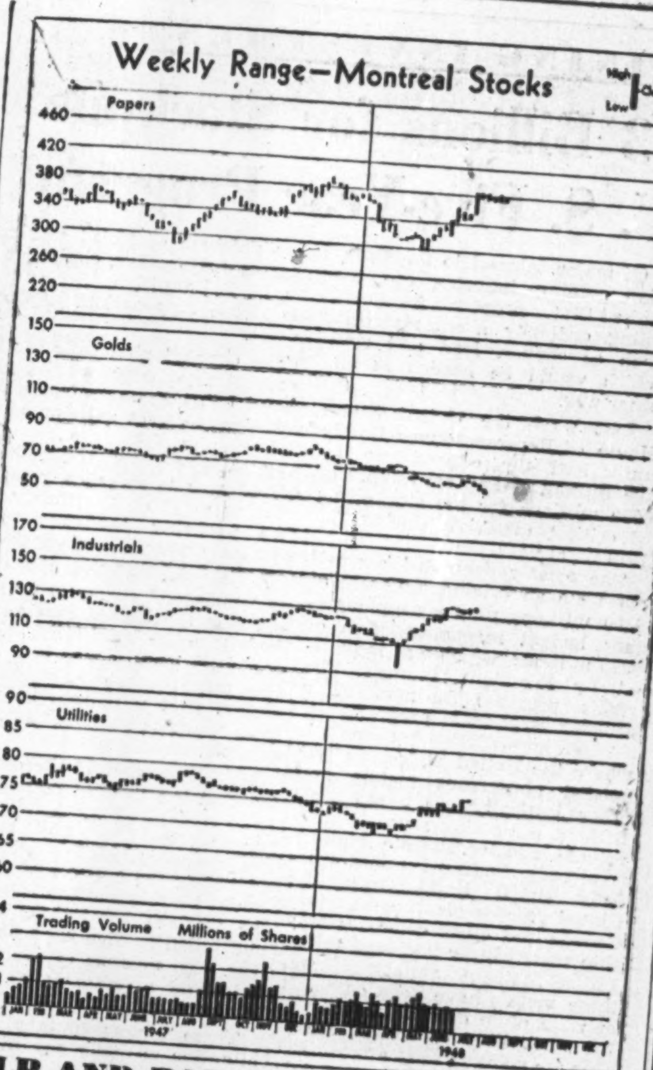
Bond Redemptions

Bond Issues:	Rate	Year	Call	Price
‡Eastern Car 1st mtge. ser. A	2½%	1955	Jul. 1	110
‡Lake St. John Pr. 1st mtg. ser. A	5½%	1961	Jul. 1	102
‡Moirs 1st mtge.	6%	1953	Jul. 1	100
‡J. R. Moodie 1st mtge.	6%	1948	Jul. 1	par
‡N. B. Pwr. 1st mtge. ser.	4%	1949	Jul. 1	100½
Do.	4%	1950	Jul. 1	101
Do. 1st mtg. s f	4½%	1964	Jul. 1	103
‡Ottawa Elec. Rly. 1st mtg. ser. A	2½%	1957	Aug. 12	101
§Sao Paulo Elec. 1st mtge. s. f.	5%	1962	Jul. 1	par

‡All outstanding.
§£68,700.

Investment Trusts

	Bid	Asked
Affiliated Funds	4.58	5.01
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.75	5.28
Can. Invest. Corp.	7.25	8.00
Commonwealth Int.	3.69	4.05
Corporate Invest.	8.58	9.55
Trans-Canada, A	14.35	...
Do. B	....	14.90



PULP AND PAPER

More Imports From Europe Aid U.S. Newsprint Supply

MONTREAL (Staff) — Production and consumption of newsprint continue at record levels. In Canada production is up 2.2% in the first five months of 1948 over last year's period. In United States, the big newsprint consumer, a total of 2.1 million tons have been used up in newspaper presses over the same period. This is an increase of 11.2% over 1947.

If the present rate of U. S. consumption continues, it will mean that 5.1 million tons will have been consumed by the end of this year. Most significant in this connection is that the figure of 5.1 million tons was estimated by the Newsprint Association of Canada last year as representing U. S. demand with no restrictions on supply. NAC actually estimated that U. S. consumption in 1948 would run about 4.9 million tons on the basis of expected supply at that time.

These figures largely support the opinion of many newsprint men that there is no great shortage of newsprint at the present time. It is pointed out, however, that there is not an oversupply. Newspaper advertising in 52 United States cities at 710.1 million lines for the first four months is up 15.3% over last year. This is one reason for the continuing record demand for newsprint.

Shipments Up

While consumption continued high throughout May, production and shipments kept pace and newsprint inventories increased by two days over the previous month. At the end of the month stock on hand or in transit represented 33 days supply, compared with 28 days in 1947; 32 days in 1946 and 43 days in May 1945.

Canadian newsprint production continued its upward course in May with the industry operating at 103.1% capacity. This represents the best production month so far this year. Tonnage output for the month was 388,461 which brought the total for the five months to 1,878,021 tons; an increase of 2.2% over last year.

Newfoundland mills have not yet brought production up to last year's level and the 146,472 tons produced in five months is 3.4% below that of 1947. Similarly in United States production is down 4.3%. U. S. May production, however, started to move up and it is possible that production in that country will continue to rise over the balance of the year.

The chief source of the increase in newsprint supplies in United States this year, however, has been increased imports from Europe plus the considerable reduction in Canadian shipments overseas. United States imports from Europe in four months at 76,727 tons were up 396.7% over 1947.

Overseas Trade Down

At the same time Canadian overseas shipments have dropped 77,952 tons or 35%. Shipments to Australia alone are down almost 41,000 tons. Exports to United Kingdom are down more than 5,000 tons and to New Zealand and Argentine off from one to two thousand tons. These tonnages are being diverted to United States.

Thus it appears that the much-talked-of newsprint shortage in United States is being avoided by international currency troubles rather than by any great increase in production. Virtually all overseas countries which have cut newsprint purchases have done so as a means of conserving U. S. dollars. U. K. Board of Trade president told the House of Commons in London last week that the U. K. Government was not prepared to allocate dollars to buy Canadian newsprint until it can see the dollar situation more clearly.

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MINING CONCENTRATES

MAYFLOWER MINE OF RAINY RIVER, Ontario charter has been accepted for surrender and will be cancelled June 28.

* * *

MATACHEWAN CONSOLIDATED MINES has declared a dividend of two cents a share, payable July 22 to shareholders of record June 30.

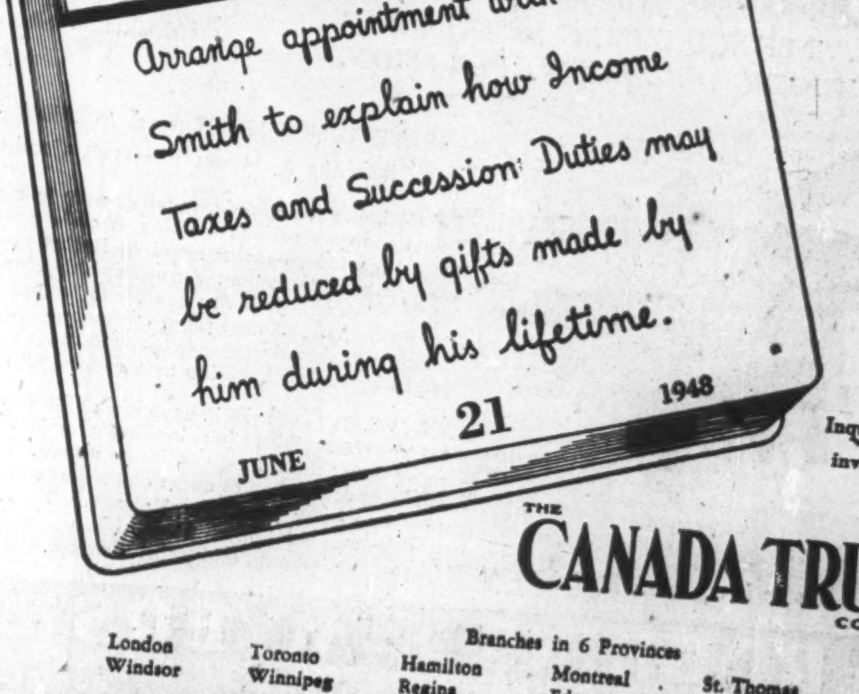
* * *

SALMITA NORTHWEST MINES authorized capital has been increased from three million to four million shares by supplementary letters patent.

TIBLEMONT GOLDFIELDS did no work on its Tiblemont twp. property in 1947, but maintained mining claims in good standing. Current assets were $18,132 and liabilities $442. Operating expenses totaled $826 in 1947.

* * *

VIOLAMAC MINES B. C. has made initial shipment of silver-lead-zinc ore from Victor-Lane-Bachelor group, Carpenter Creek, Slocan district, B.C. Net settlement of 41-ton shipment, after smelter and freight charges, amounted to over $6,000. The mine is developed by five adit levels and former lessee shipped approximately 1,200 tons of hand-sorted crude ore over a period of years.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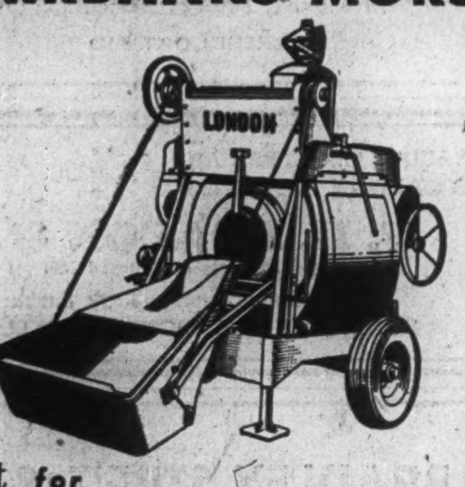

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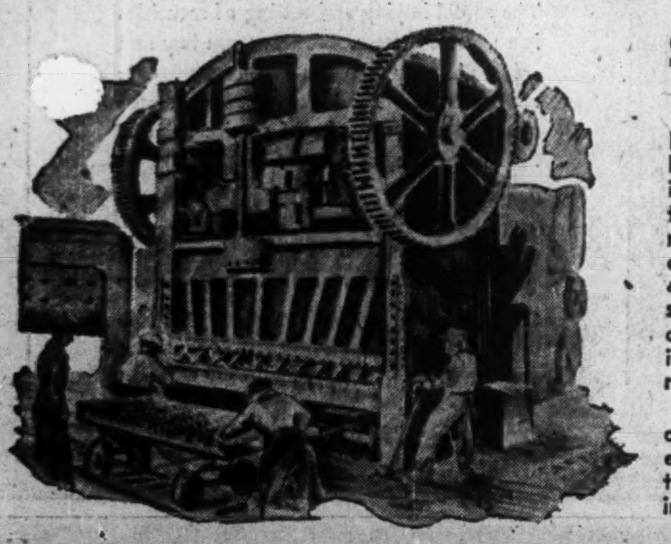

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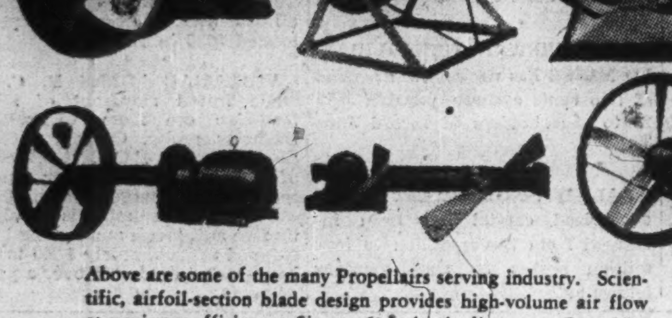

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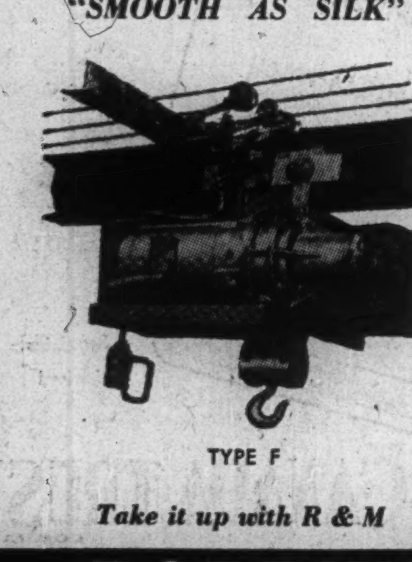

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MINING INVESTMENTS

$3 Billions for Stockpile U. S. Five-Year Program

Of major interest to the Canadian mining industry are the United States proposals for stockpiling critically short materials such as copper, lead and zinc, which would be needed in another war.

Last week the United States House of Representatives finally authorized the expenditure by the Bureau of Federal Supply of $600 millions for the stockpiling of critical materials during the 1949 fiscal year.

The total represented a small cut from an original estimate of $360 millions plus a supplementary budget recommendation of $375 millions, which was requested by President Truman. The year's program is part of a broader large-scale program.

The immediate question is where the United States can buy needed nonferrous metals and other critically short materials without competing severely with private industry. Private industry is already finding supplies woefully short. Undoubtedly the United States is hoping that Canada and other countries may ship their copper and lead to the United States now that tariffs on these metals have been lifted. It appears quite definite that funds for stockpiling of critical materials are going to form a "cushion" of demand for nonferrous metals generally if industrial activity should slacken.

• • •

Reveals Broader Plan

The $600 millions to be spent in 1949 is to be just one year's installment of an over-all five-year program of $3,154 millions, Thomas J. Hargrave, chairman of the U. S. Munitions Board told the House Appropriations' Committee.

The over-all plan calls for the accumulation over a five-year period of an amount of materials sufficient to meet anticipated deficiencies in fighting a five-year war. A five-years accumulation period was taken as a practical starting point on the theory that "we probably cannot get the necessary material in less time."

It was revealed that there was no "balanced" stockpile program and that the United States is far behind in its stockpiling. Practically no lead or zinc has so far been acquired because of the stipulation that purchases be made from "surplus supplies" so far as possible.

Mr. Hargrave told the committee that the amount of materials to be stockpiled is determined by selecting the 12 months' greatest usage during the last war after deducting the entire amount that would be reasonably available in the western hemisphere — and multiplied by five for a five-year war. The amount of material in industrial inventories was taken into consideration.

There is now apparently some intention to really get into stockpiling whether civilian industry gets hit or not.

• • •

Platinum Drops Again

While base metals continue in unparallelled demand, one metal —platinum — has been on the price skids.

The white metal has dropped another $13 an ounce to $75 wholesale and $78 an ounce retail. Not long ago the metal sold at $100. Some trade quarters in New York express the opinion that the present price is a more "satisfactory" level for this metal.

A seasonal decline in demand from the jewelry trade was credited with the drop which was also accompanied by a sympathetic drop in the price of iridium to $100-$110 an ounce. Smaller supplies and sustained demand resulted in lower inventories of platinum in the United States in the quarter ended March 31, 1948, with inventories of 102,803 oz. by far the lowest in any of the last five years.

• • •

Aid for Athabaska?

A lift for mining hopes in the Athabaska area has been given by the decision of Eldorado Mining & Refining (1944), the Crown company, to drive a tunnel on a uranium prospect on Martin Lake, 10 miles from Goldfields.

The Martin Lake find was made by Eldorado men some years ago but little work has been done since. A number of disconnected lenses of pitchblende ore are stated to have been indicated by the work with results generally inconclusive. The Eldorado block of ground constitutes about 500 acres, it is stated.

If exploration of the Martin ground by a proposed 2,000-ft. tunnel from the shore of Martin Lake should show a satisfactory mineral occurrence, it would be very important for this section. There are a number of uranium prospects in the Athabaska area and if one should prove successful, no doubt there would be an intensification of work at others.

Leitch Nearly Through Sill

Expect to Explore New Deep Levels Around End of Year

Deepening of the shaft at Leitch Gold Mines has been carried all but 60 ft. through the flat-lying diabase sill which has cut off the company's ore bodies for several hundred feet in depth.

At the adjoining Undersill property, veins have been picked up unchanged below the sill and the Leitch management anticipates similar conditions will be found on its property.

500 ft. More Sinking

About 500 ft. of sinking remains, to bring the shaft to its objective of 3,000 ft. Shaft sinking is expected to be completed in the last quarter of this year. Crosscutting some 1,200 ft. to the predicated downward extension of the ore zone will be started at that time.

Opening of the 15th level at 1,800 ft. depth — the deepest above the diabase sill — has resulted in the opening of the No. 2 and 4 veins with depth continuity proved together with maintenance of the high-grade gold content as on the upper levels.

Production in the first quarter of 1948 totaled $247,344 from the milling of 8,571 tons of ore for an average recovery of $28.86 a ton. From this was realized an operating profit of $83,543 ($9.75 a ton) with a net profit of $64,023 or 2.2c a share after all charges.

The company remains active in outside exploration and has share interests in several properties in Northwestern Quebec, Yellowknife and British Columbia.

MURMAC LAKE ATHABASKA MINES advises that Consulting engineer Colin A. Campbell has left for company's property in the Keno Hill silver-lead district in the Yukon to lay development program.

Gulf Lead Drill Holes Cut Wide Sections For Assay

Recent drilling at the property of Gulf Lead Mines, east shore of Hudson Bay, has returned a number of interesting intersections which are now being assayed, President M. E. Holtzman, just back from the property, declares.

As approximately 300 ft. of core has to be assayed for lead, zinc, copper and zinc values, assay results are not immediately available.

L. B. Almond, consulting engineer, who accompanied Mr. Holtzman reports that the following mineralized sections have been cut in diamond drill holes Nos. 5 to 9 in the Nancy Island sector of the property:

Hole No.:	Footage	Section ft.
5	472.5-509.0	36.5
6	473.5-505.0	31.5
7	472.5-512.5	40.0
8	392.5-403.0	10.5
9	469.6-506.5	36.9

Samples have been cut for holes Nos. 1 to 9 inclusive on the Nancy Island sector and are now being assayed.

In addition 31 holes, 80 ft. deep, have been drilled in the Ruby Lake sector on an exposed bench and are now being logged and sampled.

In Holes Nos. 1 to 4 inclusive, in the Nancy Island sector, the following mineralized sections were previously reported: No. 1, 5.0 ft.; No. 2, 17.5 ft.; No. 3, 33 ft.; No. 4, 28 ft. Holes are drilled almost vertical to cut a flat-lying bed of limestone at 400- to 600-ft. horizons. A grid pattern is followed, holes being sited 400 to 600 ft. apart.

Holes in the Ruby Lake sector, about two miles east of the Nancy Island sector, were shallow, drilled in series of three from a single set up, to test mineralization exposed in an open bench.

A heavy drill rig is on the ground, to put down deep holes, testing for possible recurring beds of limestone at depth. An additional drill rig, to bring the total to five, is being flown in.

MINING CONCENTRATES

AMERICAN YELLOWKNIFE GOLD MINES has secured silver-lead-zinc assays in three rock pits as follows: Gross value of $31.63, or 6.46 oz. silver, 10.63% zinc and 0.54% lead across 5 ft. in pit No. 2; $34.76 across an average 7-ft. width in pit No. 4 and $51.92 over 2.8 ft. in pit No. 6. Original five pits covered a length of 315 ft. and average $40.27 across a width of 3.4 ft. The pits are to be widened and deepened. Stripping and rock work will also proceed both east and west of the indicated ore shoot with sulphides already uncovered at a point 230 ft. to the east, company states.

• • •

BORDULAC MINES advises that 26,400 shares have been sold on the open market for $9,293, less taxes and brokerage. Issued capital is now 1,951,470 shares.

• • •

SILANCO MINING & REFINING CO. shareholders have approved an increase in authorized capital of from three to four million shares. An underwriting agreement has been completed whereby 382,486 shares will be taken down at 30 cents a share and 500,000 shares optioned at 35 and 40 cents per share.

• • •

SISCOE GOLD MINES reports bullion production of $43,446 from treatment of 5,634 tons of ore and average recovery of $7.71 gold per ton in May. Output totaled $233,383 from handling 24,784 tons in first five months 1948, for average recovery of $9.42 ($338,176 from 33,580 tons and $10.07 same period last year).

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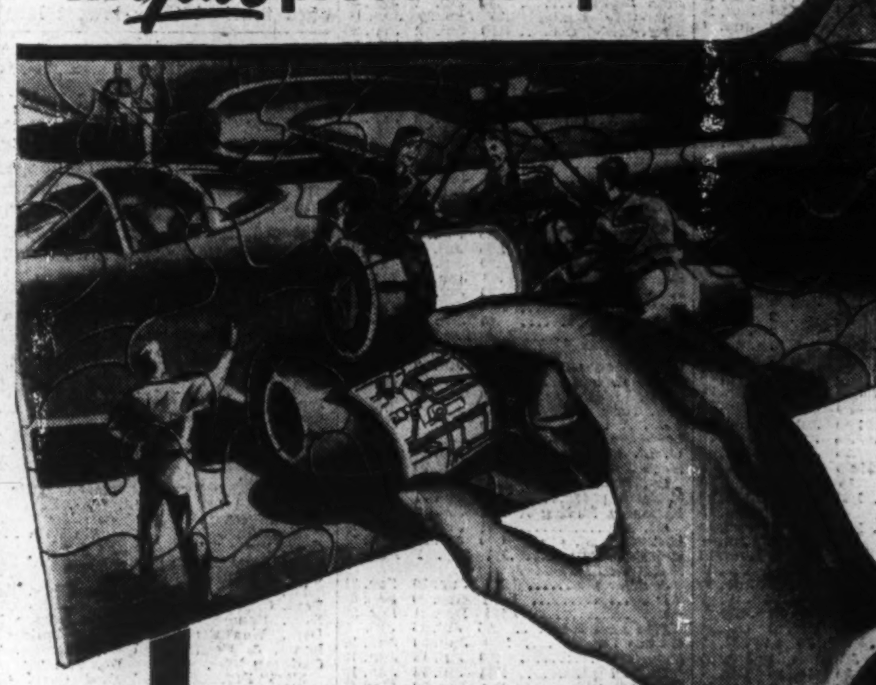

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Canadian-Owned Golds Outside Canada Do Better Than $35 in Selling Gold

By GORDON M. GRANT

To Canadian gold mining companies which claim that increased costs have, in effect, "halved" purchasing power secured on sale of an ounce of gold at $35 at Ottawa, the higher than $35 an ounce prices being received by gold mines outside the Dominion must look attractive these days.

Central and South American gold producers, financed in Canada, have realized considerably more than $35 an ounce, U. S. funds, in practice. In fact, several of our foreign gold producers have not been "deflated" like many at home because they have been permitted to sell their gold, or part of it, at what they can secure for it.

Numerous other foreign gold mines, not financed in Canada, are also getting more than $35 on gold sales.

The International Monetary Fund which has been making strenuous efforts to eliminate sale of gold at prices higher than the $35 an ounce U. S. equivalent has found it undesirable or impossible to stamp out all sales above the $35 an ounce figure. And sale of gold at attractive figures (from the gold mine standpoint) is apparently likely to continue for some time.

Situation In Nicaragua

Canadian companies control three gold mines in Nicaragua and have an interest in a fourth producer. Nicaraguan gold mines have been permitted to enjoy the "world market" for their output and have not been forced to sell at the fixed $35 U. S. price. This is apparently because gold mining is the backbone of the Nicaraguan economy.

At the annual meeting of Noranda Mines this spring, President J. Y. Murdoch stated that its Nicaraguan gold mining subsidiaries—Cia La India and Empresa Minera—had realized an average price of $41.50, U. S. funds for their entire production in 1947.

La Luz Mines, controlled by Ventures Ltd., and associates, is another Canadian-controlled gold mine which sells its output at a higher price than that offered by the United States. The price received for Nicaraguan gold shows considerable variation from time to time but is probably about $42 an ounce just now.

In Venezuela, a Canadian-controlled gold mine, Guayana Mines, for a time was able to sell its entire output on the world market. But gold is not as important to Venezuela as it is to Nicaragua, however, and only a portion of output can now be sold at higher prices offered. Average over-all price received currently has worked out at approximately $37 an ounce.

Get $50 B. G. Dollars

In British Guiana, where the Dominion - sponsored Cuyuni Goldfields operates, the B. G. dollar is at a discount in relation to the U. S. and Canadian dollars. This means a higher official price for gold—in B. G. dollars. In addition to this, however, B. G. producers get a higher than $35 U. S. funds price and are permitted to fill the local demands of the jewelry trade. A price of $50 an ounce (B. G. currency) has been secured from jewelry trade, sources in touch with operations in the colony inform The Financial Post. This is stated to be the equivalent of about $42 an ounce in U. S. funds.

Cuyuni Goldfields reports it has been disposing of its gold through properly authorized channels at a rate of $37 U. S. funds which is equivalent to $43.79 British Guiana funds. "There appears to be practically an unlimited market," the company comments.

Many gold mines throughout the world have apparently been securing more than $35 for their gold. Philippine gold mines are reported securing $41 to $42 an ounce for their output.

Asnazu and Pato—in Columbia—and Bulolo in New Guinea, however, only secure the equivalent of $35 an ounce for their output.

Canada has not been unique with its gold-aid plan in trying to help out gold mines in a period of world-wide inflation. South Africa has done much. Probably the most spectacular assistance for gold mines, however, has been provided by Southern Rhodesia. Last May, Southern Rhodesia announced a 10% surcharge on all income tax assessments to pay a subsidy of £1 7s 6d on an ounce of gold. A direct price increase in gold was stated to have been impossible as Southern Rhodesia is in the Sterling block but it was stated that the proposed subsidy would bring the price of gold to the miner up to £10—or $40 an ounce in Canadian currency.

The special surtax is payable by individuals as well as companies.

While gold mines outside of Canada in many instances have been receiving higher prices for their output than those in Canada, Canadian gold production has declined little more than output in the world at large:

GOLD PRODUCTION

	Ounces		Dec.
	1940	1947	
South Africa ..	14,037,741	11,200,000	22%
Canada	5,311,145	3,069,476	43
United States .	4,869,949	2,090,033	57
All other	12,881,165	5,740,511	55
Total*	37,100,000	22,100,000	40%

*Excluding Russia.

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San Antonio Starts Depth Work As New Shaft Now Completed

With its big No. 4 winze, 1,200 ft. east of No. 3 shaft, now completed from 2,400 to 4,000 ft. depth at San Antonio Gold Mines, the big Manitoba gold producer, is once again embarking on a broad depth exploration program.

Crosscutting is now under way on the 17th level at 2,550 ft. and on the 26th level at 4,000 ft. with distances of 600 and 1,500 ft., respectively, to be traversed to reach the meta-diabase sill and anticipated ore structures.

As pointed out previously, work at the 16th level at 2,400 ft. had been attended by excellent ore disclosures with combined ore length of 2,200 ft. reported averaging 0.32 oz. gold per ton. Widths run as high as 60 ft. The ore exposures total better than 3,000 tons to the vertical foot at this horizon. This figure is expected to be substantially exceeded when No. 57 ore body is opened up and other ore bodies are silled out to their limits.

In addition to the crosscuts started at the 17th and 26th levels, lateral development may also be undertaken to the east on the Forty-Four ground on the 16th level. The east drift face is now beyond the boundary and a series of six drill holes has disclosed a new ore body of 250 ft. length and 30 ft. width, astride the boundary. There is a length of 6,000 ft. to the east on the Forty-Four ground.

The labor situation at the mine is stated to have shown a decided improvement since 75 DPs have been secured. The mine is still undermanned, however, and 75 to 100 additional experienced miners could be used immediately on underground work. This would enable resumption of normal production at 650 tons daily. Future profit potentialities appear to have been enhanced by the gradual improvement in average grade of ore milled as depth has been reached.

A total of 2,018 tons of development ore from Jeep Gold Mine (75%-owned) has already been milled in the San Antonio plant with a recovery of 2,095 oz. of gold for an average recovery of 1.038 oz. gold per ton. Two levels have been opened at the Jeep—at 200 and 325 ft. depth—and it is though that this property will be on a profitable operating basis in the third quarter of this year.

OIL PRODUCTION

Grant Exploration Permits On Over 2.5 Million Acres

From Our Own Correspondent

CALGARY — Canada's oilmen talked in bigger figures last week — barrels and acres. The week brought news that dealt with figures, bigger and more numerous than for weeks past. Leduc's wild well, Atlantic No. 3, spent the week pouring out from 11,000 to 14,000 bbls. of oil per day, after having previously subsided to little more than half that flow.

Alberta's Conservation Board, which allowed restricted re-opening of Leduc field on June 4 when it figured Atlantic was under rein and its outpouring had been cleared from pits, this week managed to keep the field open. It pumped 4,000 to 8,000 bbls. daily of the wild well's oil a mile down and back into the formation, reversing normal direction of flow through Atlantic Nos. 1 and 2. To market by pipeline and truck from Atlantic No. 3 and nearly five dozen other wells went upwards of 14,000 bbls. daily.

Leduc's producers, restricted to 120 bbls. daily for D3 wells and 80 bbls. for D2 so long as Atlantic is on the loose, kept tab as two relief wells bored down to tap the Devonian alongside the wild well to permit final killing. One is below 3,200 ft., the other 2,750 ft.

During last week 11 new Leduc wells went on restricted production after brief wide open runs to determine open flow potential. Two totaled almost 3,000 bbls. each. Two gave only 1,000 bbls. flushes. The 11 showed total open flow of 22,270 bbls. for better than a 2,000 bbl. average. Cut back on restricted allowables they are giving about 1,200 bbls. daily. Eight of the new wells are Imperial Oil's. Two Home Oil Co.'s. The other was drilled by Saskatchewan Federated Co-op on Central Leduc Oil's land.

• • •

Grant Large Acreage

Acres made news last week with announcements that more than 2.5 million acres of oil and gas rights have gone to major and independent oil companies and operators under exploration permits.

The Cypress and Great Sand Hills region of southwest Saskatchewan led with 1,818,000 acres involved in agreements between the Saskatchewan Government and oil interests. In a gas-hungry province, the play lies over the border from one of the gas-rich Alberta's natural gas regions, Medicine Hat-Pakowki Lake. Gas, as well as oil, will be the objective of the groups planning the Saskatchewan exploration.

Regina's Saskatchewan Federated Co-operatives and Consumers' Co-operative Refineries have 458,000 acres of the Cypress Hills' rights. Husky Refining, chief Lloydminster development and refining factor, has 300,000 acres. Aubelle Mines and Astro Mining, Toronto, each have 250,000 acres, as has T. E. Keyes, Regina. Individuals hold smaller parcels.

A third of Alberta's Indian reservation lands, about 468,000 acres, have now gone to oil men under exploration permit or lease, according to survey this week. Two wildcat wells are currently drilling, on the Blackfoot reserve, 65 miles east of Calgary and Alexis reserve, 45 miles northwest of Edmonton. Holders of Indian lands include Royalite Oil, Imperial, McColl Frontenac and Gulf among the majors, plus many independents. both Canadian and American. The Indian land program is expected to further expand.

The south Alberta foothills made news when Barnsdall Oil of New York and Honolulu Oil of San Francisco announced joint geophysical program on 97,000 acres extending 30 miles north from Pincher Creek. The team, just starting exploration in Canada, will explore Crown reservation lands taken this spring by Michael Allon, Pittsburgh.

Acreage news was rounded out by announcement that a syndicate of Alberta independents has taken up 121,000 acres of CPR oil rights in the Calgary-Cochrane area and at Taber, and that big Socony Vacuum Oil of New York has added another 73,000 acres to CPR holdings between Lethbridge and the Montana border.

• • •

Output at New Peak

Last week end came news that Alberta's oil production has climbed to the highest level in history of the province. The Conservation Board estimates that oil and natural gasoline yield during the week ended June 14 averaged 30,405 bbls. per day. Of this, Leduc-Woodbend accounted for 13,779 bbls. daily delivered to pipeline (including 6,063 bbls. daily from Atlantic No. 3, but not including oil returned to the formation from that wild well). Turner Valley oil wells delivered 12,080 bbls. daily, while natural gasoline from the Valley's absorption plants brought in about 1,436 bbls. daily. Other Alberta oil sources are listed at 3,110 bbls. daily, based on latest monthly returns. (Present actual yield especially from Lloydminster, is higher).

• • •

Industry Uses 4,000

About 4,000 men are now directly engaged in Alberta, in oil exploration, drilling and provision of pipeline and refinery additions to take care of new production.

This was indicated last week by J. M. Brown, employer relations officer, National Employment Service, Calgary. Mr. Brown added: "Petroleum has a very definite significance in terms of jobs, and a very representative number of Canadians are being provided with a splendid and unequalled opportunity in the form of rapid recognition and promotion for diligence and aptitude."

E. Sullivan Ore Wide at 600 Ft.

Lateral work and flat drilling on the 4th or 600-ft. level at East Sullivan Mines has given the central ore body a true width of 116 ft. and average grade of 3.95% copper, 0.02 oz. zinc, 0.019 oz. gold and 0.36 oz. silver, The Financial Post understands.

A crosscut previously driven southeast through the ore body gave 102 ft. averaging 2.23% copper, 0.01 oz. gold and 0.19 oz. silver. Going back or about half-way through the ore body, the 404 east drift was started through what heretofore represented waste ground, but in first 62 ft. muck samples averaged 3.91% copper, 0.026 oz. gold and 0.36 oz. silver.

The true width of 116 ft. was secured through putting out flat holes north and south near start of 404 drift and included part of the drift and original crosscut.

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(Hard Chrome Plating)
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PLASTICS
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CHATHAM OSHAWA
GANANOQUE
ONTARIO

LOUVICOURT GOLDFIELD CORP. advises that an additional 750,000 shares have been listed on the Toronto Stock Exchange, bringing total listings to 4,250,000 shares.

Middle Class Has Power To Oust U. K. Socialists

The following article, appraising public sentiment in England toward the Socialist Government, is written by M. R. Chipman, Montreal, manager of The Maclean-Hunter Publishing Company Limited, who is now overseas.

By M. R. CHIPMAN

LONDON—What does the average Briton think of the Labor Government, after nearly three years' experience of it?

Ask the average workingman, and his reaction will probably be this: It's trying hard; has made a lot of blunders, but has probably made the best of a bad job; it's trying hard to protect the worker.

But his wife, harassed with supply shortages and other shopping problems, is not so certain. And the bulk of the nation, the middle class—define it how you will—is fairly certain in the other direction. And it is this group which will probably decide the next election, whether it comes early or late.

In the last election the Conservatives polled 10 million votes, Labor 11 millions, the Liberals 2.5 millions. But Labor's candidates elected, numbered over two thirds of the members of the House of Commons. Certainly the lage percentage of workers will vote to put their government back in. It is not so certain that their housewives will.

How Many Workers?

How many workers are there? The United Kingdom has a population of 49,748,000 of whom 18,829,000 are employed in all industry. Of these, 5,729,000 are females. These total figures are a bit misleading, because they include workers from 14 years of age and also employers and the self-employed. The total of those engaged in the manufacturing industries and included in the total just mentioned, is given as 9,266,000.

There are approximately 24 million voters in the country. It is clear the decision is going to be determined by quite a floating marginal vote. And that vote represents the hard-pressed middle class.

The Sunday Pictorial, a Labor paper, recently published the results of a questionnaire on the subject: "If there was a general election next week, how would you vote?" Those who expressed a definite opinion were, percentagewise:

Conservative	49
Labor	38
Liberal	13

The survey went on to point out that the Labor Party has lost 35% of its earlier support in the middle class and 30% among those of 50 and over. Only in the working class and only among the very young, does the Labor Party enjoy a clear lead over the Conservatives.

Women Favor Tories

Analysis by sexes shows women's slight preference for the Conservatives in the last election has been greatly expanded. What is the reason for this? The survey indicates it is because the women have not been convinced the Labor Government is concerned with them. They have resented the jibes made by Government leaders at the middle class. Women are susceptible to reason, and they appear not to have been told enough.

In my own contacts I found that one of these points arose frequently: that the Labor Government was not thoughtful primarily of the nation's interest as a whole, but chiefly of Labor's special interests.

But there was also a distinct feeling that the Government was increasingly aware of this and would plan an election strategy which would include the lifting of controls.

Certainly while rationing has been recognized as a means of all sharing alike, there is mounting criticism of government policy. A recent example has been the delay in looking realistically at the clothes and textile picture.

If there is one lesson the Canadian public can take from this experience, it is that a government in business is a costly master and not the servant of the consumer.

Why Nationalize Steel?

No subject looms larger in the Government's and in the public's mind than that of nationalization. Coal, gas and electricity, telegraphic communications, rail and air transports, have already been nationalized—and the Bank of England, also. In the first year, coal achieved a loss of $80 millions. British Overseas Airways had a loss of $40 millions. And the public, contrary to expectation has had increases in both coal and rail and air rates. Also in electricity.

It is the tax-paying private operations, here as in Canada, which are keeping the country solvent against such losses. Which raises the point why nationalize Britain's magnificent and profitable steel industry?

I interviewed Arthur Horner, Secretary of the National Union of Mine Workers, an avowed Communist.

"Nationalization of the industry was the only means for its necessary unification," he said. In World War I, the owners were guaranteed profits, and coal was mined at no regard for costs. The mines employed 1.2 million men—some 500,000 more than required. A number of the pits were uneconomic. After the war, hundreds of pits were closed. Little companies especially went into bankruptcy, and were absorbed by the larger groups.

"At the end of World War II, enormous capital expenditures were required to develop the industry, open new pits. The Labor Government has earmarked £150 millions for the purpose. Secondly, conditions needed to be changed to make mining more attractive to new workers; three, new ownership, a new management were required. Between 1921-39 the law of supply and demand worked ruthlessly against the miner, even though for reasons outside of management's control.

"With full employment the policy of the Labor Government, the old standards where management was the buyer of labor, were removed. Without the nationalization of the mines, the miners' demands might well have been exorbitant—as detrimental to the industry and nation as the managers' previous power over the miners had been. So nationalization was approved in principle."

The Other Side

Here is the other side of the story, given me by a senior mining operator of long experience. But first, by way of background, it is valuable to know how nationalization of the mines was carried out organization-wise. The individual companies and mines lost their identity and were merged into a state monopoly.

A central National Coal Board was formed—a functional, highly-priced body of diversified experts, with headquarters in London. The country was divided into six regions and in each of these areas local regional Coal Boards were appointed, duplicating in function the National Coal Board. Beneath these regional Boards are further boards in smaller areas. These were to be the operational boards. All this newly appointed organization from the top down, was largely additional to the industry's previous overhead. All the boards have their own staff of experts.

Said my coal mining operator: "I concurred with the Sir Charles Reid report that such were the problems affecting the industry and the amount of capital required to put the mines into modern shape, open new pits, etc., that nationalization of the mines seemed to be the wise solution.

"Moreover, I felt the miners deserved higher wages and that the state, under nationalization, could afford this extra charge because the miners would respond with added production.

"I assumed that the mines under nationalization could be run on businesslike basis. Sir Charles Reid's recent resignation from the National Coal Board was for the stated reason that the present unwieldy setup of the nationalized industry would not work effectively.

Confusion Multiplied

"I have explored the reasons for his belief and they are threefold. First, the centralized control in London of the National Coal Board, a functionary body took away local autonomy and authority from the operating mines. The duplicating regional and then the smaller area Boards, have simply multiplied the confusion of authority.

"Management cannot manage without authority and responsibility. There is in effect dual control, which is both ineffective and inefficient. It also takes away incentive, both with management and the men. Management not having control of the pits is a fundamental weakness. The very nature of mining calls for decisions on the spot.

"Local pride in unit mines has been destroyed. The men are definitely working less hard. The mines are now 75% mechanized and there are more men in the pits but production is not as much as it should be. It is not correct to say that increased production through mechanization at the face is largely nullified by haulage bottlenecks.

"Secondly, control of costs under nationalization is extremely difficult. Thirdly, there is always the danger under the present Goverment and setup that the miners and not the nation's interests would be paramount."

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No place of business can stop noise that completely, nor needs to. But in many offices, factories, institutions, hotels and restaurants, Donnacousti Sound Absorbing Tile provides a quiet, restful atmosphere.

Donnacousti, through its careful, scientific construction, reduces noise by trapping and smothering excessive sound vibrations. The unavoidable sounds that are part of everyday business — talk, typewriters, phones, movement — are all diminished to an appreciable degree by Donnacousti ceilings.

Permanent, decorative and economical, Donnacousti is a highly effective sound absorber that can be patterned to harmonize with surroundings and architectural style.

Donnacousti is easy to clean, can be painted any colour and is so simple to handle, it may be applied without interrupting business routine.

Contact our nearest office for estimates and advice on sound quieting. Ask for our booklet "Quiet Please." This service incurs no obligation on your part.

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Audrey and I stranded on a rock — we were 'rescued' a minute later!
Our cabin by the lake. the nights are awfully cool.
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GOOD TIMES at LAKE ROSSEAU AUG. 9 – AUG. 23 1947
Labatt's

PUBLISHED IN THE PUBLIC INTEREST BY JOHN LABATT LIMITED

Foundation for an Advertising Agency

TO PROVIDE its clients with a full measure of value, an agency must operate on the foundation of a sound principle.

"Principle" depends upon something more, something far less tangible, than the pooled ability of individuals. Naturally, Young & Rubicam's interpretation of *principle* must necessarily appertain to Young & Rubicam.

As you read, you may say that many of the qualities we emphasize exist in many good agencies. We concur; but we maintain that our particular "principle" results from all these qualities in combination and in daily use.

Here, in brief, are the basic beliefs which form the foundation of Young & Rubicam's service to its clients:

Y&R's philosophy

INGENUITY
THOROUGHNESS
RESTLESSNESS

1. An agency must excel in ingenuity, thoroughness, restlessness

Ingenuity — the resourcefulness to command a bigger proportion of the public's attention for a client's advertising than his competitors are getting for theirs.

Thoroughness — the ability to completely surround and penetrate a selling problem.

Restlessness — a state of mind that compels an advertising agency to seek a still better way to do a job, after a good way has been found.

2. A job must satisfy not only the client—but Young & Rubicam

Good advertising cannot thrive in an atmosphere of "pleasing the client at any cost."

We want the client to believe in the advertising we prepare for him. But — equally important — we must believe in it ourselves.

3. "Brass hat" doesn't mean brass knuckles

Any executive of Young & Rubicam can lose an argument to a subordinate.

For it is Young & Rubicam's belief that problems are solved better with reason than by coercion; that the agency will profit most from a man's mind if he feels free to express his honest convictions in any situation.

ADVERTISING MACHINE

4. There is no such thing as an "all-round" advertising man

It is our belief that an outstanding advertising man may be capable in many phases of advertising, but that he will excel in one.

Letting each man devote his entire ability to the thing he does best has proved to be one good form of insurance against undernourished thinking.

5. "Formula" is another name for "rut"

We believe that the sales problems of products are as individual as eyesight, and that advertising should be fitted to them as carefully as glasses are fitted to the eyes.

Any attempt to formularize advertising places too much responsibility on experience, and too little on original thought.

6. An agency should be alive to the world outside of advertising and business

It should study the things that appeal to people in the field of politics, news columns, movies, the stage, the pulpit or fiction.

And it should be able to apply its findings to the constant improvement of the advertising it prepares.

7. It is more important to develop present business than to get new business

The reward of promotion in Young & Rubicam has been given for the ability to *serve* business rather than to get business.

In each Young & Rubicam office, one man devotes *part* of his time to soliciting new accounts.

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New York • Chicago • Detroit • San Francisco • Hollywood • Mexico City

The Financial Post

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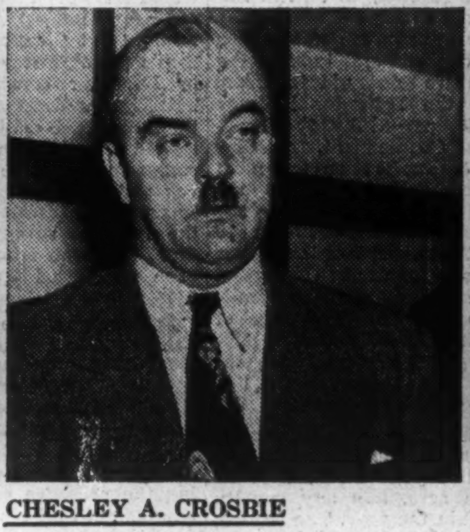
How Long Will Battle Rage in Newfoundland?

Here's How Island Debates Future Form of Government

They Lead Island's Political Parties

MAJOR PETER J. CASHIN

leader of the Responsible Government League, whose advocacy of return to self-government attracted the largest number of votes in the recent indecisive referendum, is a former Minister of Customs and Excise. He was a member of the Assembly from 1923 to 1932. A veteran of World War I, Mr. Cashin is associated with Cashin & Co. and other business concerns in the Island.



CHESLEY A. CROSBIE

St. John's businessman, entered the political scene early this year by advocating economic union with the United States. He is pledged to heading a party under Responsible Government which will seek power on the economic union question. Managing director of Crosbie & Co., a director or several other concerns, Mr. Crosbie is closely identified with the fishing industry.

JOSEPH R. SMALLWOOD

leader of the Confederation party which polled the second largest vote in the recent referendum, is active in journalism, radio and the co-operative movement. He is the author of several volumes on Newfoundland. Energetic, enthusiastic, Mr. Smallwood maintains that Newfoundland's greatest hope for the future lies in becoming the tenth province in the Dominion of Canada.

By HOWARD GAMBLE

Where is Newfoundland going, economically and politically?

Right now, the Island's 316,000 residents wish they knew.

July 22, they go to the polls for the second time in two months, to try to decide the form of government they want. On their first trip to the ballot boxes, June 3, they virtually eliminated one possibility when they gave Commission of Government only 20,000-odd votes out of a total of 155,000.

Now they face a straight choice: Responsible Government or Confederation with Canada.

In the June referendum, Responsible Government topped Confederation by about 5,000 votes.

And while the political arguments have raged, the suspense has brought a slowdown in business. Newfoundland businessmen are hesitant about forward-buying: If Confederation wins the day, it means the end of import duties, and merchants do not want to build up inventories of merchandise on which duty has been paid.

The Newfoundland Government is feeling the slowdown in businesss tempo as well: reduced imports mean lower revenues from customs duties.

Where does the Island stand financially? Where is it going economically?

For the record, here's what the Island did last year:

Produced close to a record 1,150,000 quintals of dried codfish;

Produced more than 400,000 tons of pulp and paper products;

Wabana's iron mines yielded 1.4 million tons of iron ore;

Development work is going ahead in Labrador proving up the fabulous deposits of iron ore which adjoin Quebec;

Now has an accumulated revenue surplus of $28.2 millions;

A total of $93.5 millions was on deposit in Newfoundland banks at the end of 1947;

Gander airport is used by nine scheduled airlines and as many more nonscheduled lines.

Items like these indicate that the Island is about as prosperous as it has ever been. But Newfoundlanders know that today's production and dollar figures are no guarantee for the future; and more important they have little relation to Newfoundland's economic past.

What other considerations must Newfoundlanders take into account in arriving at their decision on the future form of government? High up on the list are social and government services. They want and need more roads, medical and hospital services, educational facilities, improved communications. But a higher national income is a necessary precondition to a higher standard of living. Which form of government is likely to give Newfoundland these benefits? Some Newfoundlanders say Responsible Government, others think confederation with Canada and a smaller faction believes economic union with United States is the answer.

For Responsible Government

Each of the three groups has built up a party organization in the country. The Economic Union party which came into being last March is also calling for a return to Responsible Government. It is claimed that Newfoundland must have its own elected representatives to send to Washington to negotiate such an agreement. C. A. Crosbie, St. John's businessman, who heads the unionists, has publicly pledged that as soon as self-government is restored he will head a party which will seek office on the economic union principle.

Those in the Responsible Government group contend that Newfoundland should not "rush" into Confederation. They argue that terms with Canada must be negotiated and that the Canadian offer made last year was submitted to delegates of the Newfoundland National Convention who had no power to negotiate.

While there is a hard core of opposition to Confederation within the Responsible Government party, all are not anticonfederate. Many of those advocating return to Responsible Government believe this is the logical way to enter Confederation. Their argument is that an elected Newfoundland Government is necessary even if only to handle the formalities necessary to bring the country into the Dominion.

Other Responsible Government spokesmen point out that even if Confederation is defeated in July, those Newfoundlanders who want it can take the Confederation issue to the people in a general election.

For Confederation

On the other side of the fence the party favoring Confederation is just as active, lead by Joseph Smallwood.

Unlike the Responsible Government and Economic Union parties, however, those favoring Confederation have had the concrete terms of the Canadian Government offer to work on. Some of the more important provisions of the Canadian offer are:

Canada provides: Family allowances, old-age pensions, unemployment insurance, sick mariners' benefits, assistance for housing under NHA.

Canada takes over: Newfoundland Railway and hotel, postal, telegraphic services, civil aviation including Gander, customs and excise, veterans pensions, fisheries, various types of survey work, marine hospitals, radio, lighthouses, etc. Also $71.9 millions of the public debt.

Canada pays: the salary of the Lieutenant-Governor, Superior Court judges and district and county court judges if established.

Canada would also pay a transitional grant of $3.5 millions for the first three years and lesser amounts each year up to 12 years. In addition it would pay provincial subsidy and tax rentals which under present conditions of population and production would be $6.5 to $7 millions a year.

Newfoundland would agree to: continue to assume $10.4 millions of the public debt.

It would also set aside one third of its accumulated revenue surplus for the first eight years and withdraw it only for expenditures on current account to facilitate the maintenance and improvement of public services. The remainder of the surplus would be available to Newfoundland and it would receive the unspent portion placed on deposit at the end of the eight-year period. Newfoundland would agree that no part of the surplus would be used to subsidize production or sale of Newfoundland products in unfair competition with the other provinces.

Newfoundland would agree to rent taxation fields to Ottawa on a similar basis to those now in effect between the seven provinces and the Federal Government.

Family Allowances

In a report on the proposed entry of Newfoundland into Confederation by McDonald, Currie, Montreal chartered accountants, it was estimated that the Canadian Government would spend yearly about $17.2 millions more in Newfoundland than it collected in taxes. Of particular interest to those Newfoundlanders who favor Confederation, is the estimated $10.3 million family allowance and old-age pension payments.

Family allowances represent one of the greatest single inducements to Confederation. The average Newfoundland inshore fisherman has current income from $800 to $1,000 a year, and the monthly family allowance payments would undoubtedly enable him to live better. A married Newfoundlander with two children would benefit by family allowances to the extent of $144 a year on the basis of $6 a month for each child.

Another advantage which the proconfederates are pressing home is the saving to the individual Newfoundlander by the reduction in import duties. At present the bulk of Newfoundland's imported foodstuffs, clothing, building materials and other necessities are subject to import duties. And the country must import nearly all these commodities to live. As a province, however, Newfoundland would not levy the import taxes. As a result the per capita saving would be approximately $35 a year, according to the McDonald, Currie report.

With these obvious benefits accruing to Newfoundland under Confederation why is it that almost 40% of the eligible voters favored Responsible Government in the June referendum? There are, of course, many reasons. As mentioned above, some think that Responsible Government should precede Confederation in any case.

The Fisheries Question

One question those opposing Confederation ask is: What happens to the Newfoundland fisheries? Fisheries is, of course, the country's most important industry. It provides a livelihood for about 40% of the population. Newfoundland's fisheries, particularly dried cod and frozen fish branches, have made notable progress under the Newfoundland Fisheries Board set up in 1936.

Last year the Board climaxed its 12 years of missionary work in the fishing industry by organizing all the fish exporters into one body called Newfoundland Associated Fish Exporters Ltd. This company now markets all of Newfoundland's dried cod exports, arranges contracts, investigates markets and performs all the clerical work in connection with codfish sales.

Many Newfoundlanders would not like to see the Fisheries Board and the group marketing system dissolved under Confederation. Also some Newfoundlanders feel that their own Board is superior to the Canadian Fisheries Department; certainly in its own specialty of dried codfish.

So far Canadian authorities have made no statement on what they propose to do about Newfoundland's fisheries setup. According to the terms of the Canadian offer Canada would take over the "protection and encouragement of fisheries."

More than one fishery expert, however, has taken the view that under Confederation the Newfoundland Fisheries Board might well be incorporated in Canada's own fisheries setup, and that Newfoundland in this case could make a distinct contribution to the Canadian fisheries administration. And the proconfederates claim that as a province, Newfoundland along with the Maritimes, Quebec, and British Columbia, would form an important bargaining unit for world markets.

Opponents of Confederation, however, think that Newfoundland should have a free hand in the export of fish. They contend that the Newfoundland fishing industry is a competitor of Canada's and as a result Ottawa policies may not always give Newfoundland the advantages which it might achieve under its own government. And most important they do not want to see the group marketing system broken up.

What About Provincial Finances?

Newfoundland's fisheries are not the only reason for the opposition to Confederation. A second and equally important question asked is: what happens to Newfoundland's finances as a province? Referring again to the McDonald Currie report it was estimated that the province of Newfoundland would have a deficit of some $4.4 millions (based on 1946-47). This means, of course, that Newfoundland would have to raise this amount by new or additional taxation. This situation is brought about by the fact that while Canada would take over many of the services, the province would still be responsible for highways, education, health and welfare, etc. And as mentioned earlier these are the very services which Newfoundlanders most need and want.

Proconfederates in Newfoundland say that as a province this deficit could be raised by additional taxation since incomes under Confederation would be higher. The Canadian offer makes it appear that Canada expects that Newfoundland would draw on its accumulated surplus to meet at least part of the deficit. The Canadian offer said: "One-third of the surplus at the time of union shall be set aside during the first eight years of union, either in trust or on deposit with the Government of Canada at Newfoundland's option withdrawable by the Newfoundland Government as required only for expenditure on current account in order to facilitate the maintenance and improvement of public service."

Newfoundlanders, however, had other uses in mind for its accumulated surplus of $28.1 millions. Two years ago the Commission of Government stated that it was embarking on a three-year reconstruction program to be financed by drawings on the surplus. So far, however, the reconstruction expenditures have taken only about half a million dollars out of the surplus.

Other things have happened to the surplus, however, which indicate that it might not be available to cover provincial deficits. Last year due to the inconvertibility of sterling the Government had to finance fish exports to the extent of $5.6 millions. While this money is not lost to Newfoundland the equivalent of this sum in sterling has been placed in a special account in London to redeem part of the sterling debt. Another $7.2 millions of the surplus is on interest free loan to United Kingdom, and $3.2 millions is earmarked for the redemption of 3½% sterling stocks. Over all, Newfoundland has only $10.7 millions of its surplus in dollars on which it is free to draw. Another one million dollars is in current account sterling in London.

Thus unless United Kingdom repays its loan in dollars Newfoundland would have little more than one million in dollars left for itself if it pays one third of the surplus into a special account under the Confederation terms. And it is possible that a similar method of financing codfish exports may have to be adopted again this year since the exchange situation has not improved appreciably.

Apart from the current political storm some Newfoundlanders remember with bitterness the last time Canada and Newfound- negotiated over Confederation terms.

In 1895 when Newfoundland was in dire financial straits it opened negotiations with Canada on the question of Confederation. These negotiations broke down on the financial terms offered by Canada. As a result of the failure to reach agreement, Newfoundland came close to defaulting on its debt, and it was only when the Newfoundland Colonial Secretary pledged his own personal credit and raised a last-minute loan in the London money market that the Island was saved from financial ruin at that time.

R. A. MacKay in his definitive work on Newfoundland (Oxford Press) comments on this situation as follows: "The vision of the 1860's (Sir John A. MacDonald) of Canada as a great North American nation under the Crown seemed indeed to have faded on both sides of the Atlantic."

Some observers think that the Canadian Government may have again caught the vision. At any rate the present terms are much more more generous than those offered in 1895. Newfoundlanders in general do not enthuse particularly over the "from sea to sea" phrase. Even those Newfoundlanders who favor Confederation look on it as a business deal rather than a political ideal to be achieved.

Help of Canadian Technical Services

With the fateful day less than a month away, more than one Newfoundlander is wondering whether his vote will in reality solve the basic problems which confront the country.

It is possible that Confederation's greatest contribution would not be in money at all but in the technical services which Canada could provide. More statistical and research services, the geological, topographical, geodetic and hydrographic surveys would aid in increasing production.

And greater more diversified production is something Newfoundlanders know they must have if they are to increase their incomes and maintain a higher standard of living. While the pulp and paper and mining industries have contributed enormously to income and economic stability, it is still possible for Newfoundland to be plunged into a depression if in any year it fails to find a market for its fish. In recent years the development of the fresh and frozen fish industry has helped to broaden the base of the Island's chief industry.

Further expansion of this newer, more highly paid branch of the fishing industry is dependent largely on how much fresh and frozen fish Newfoundland can sell in United States markets. An argument of the economic unionists is that only by economic union with United States can Newfoundland products gain free entry into this lucrative market.

To many observers, however, the question of economic union suggests the relationship between an elephant and a mouse. Newfoundland newsprint is already admitted free into United States. A considerable quantity of fish is already sold in U. S. markets yearly. To gain free entry into the U. S. market, Newfoundland can probably offer additional fishing rights in Newfoundland waters and a consumer market of some 316,000 persons.

In the case of Newfoundland, with its small population, land area and U. S. bases already on the Island, many observers believe economic union would hasten the day of political union.

Where Will Island Turn?

Regardless of the outcome of the July referendum, Newfoundland sooner or later will draw still closer to one of the larger countries.

For three reasons:

(1) Newfoundland has little control over internal conditions since it imports most of its consumer goods and is at the mercy of world trade conditions in selling its exportable surplus. And as a small nation it has little bargaining power around international trade tables.

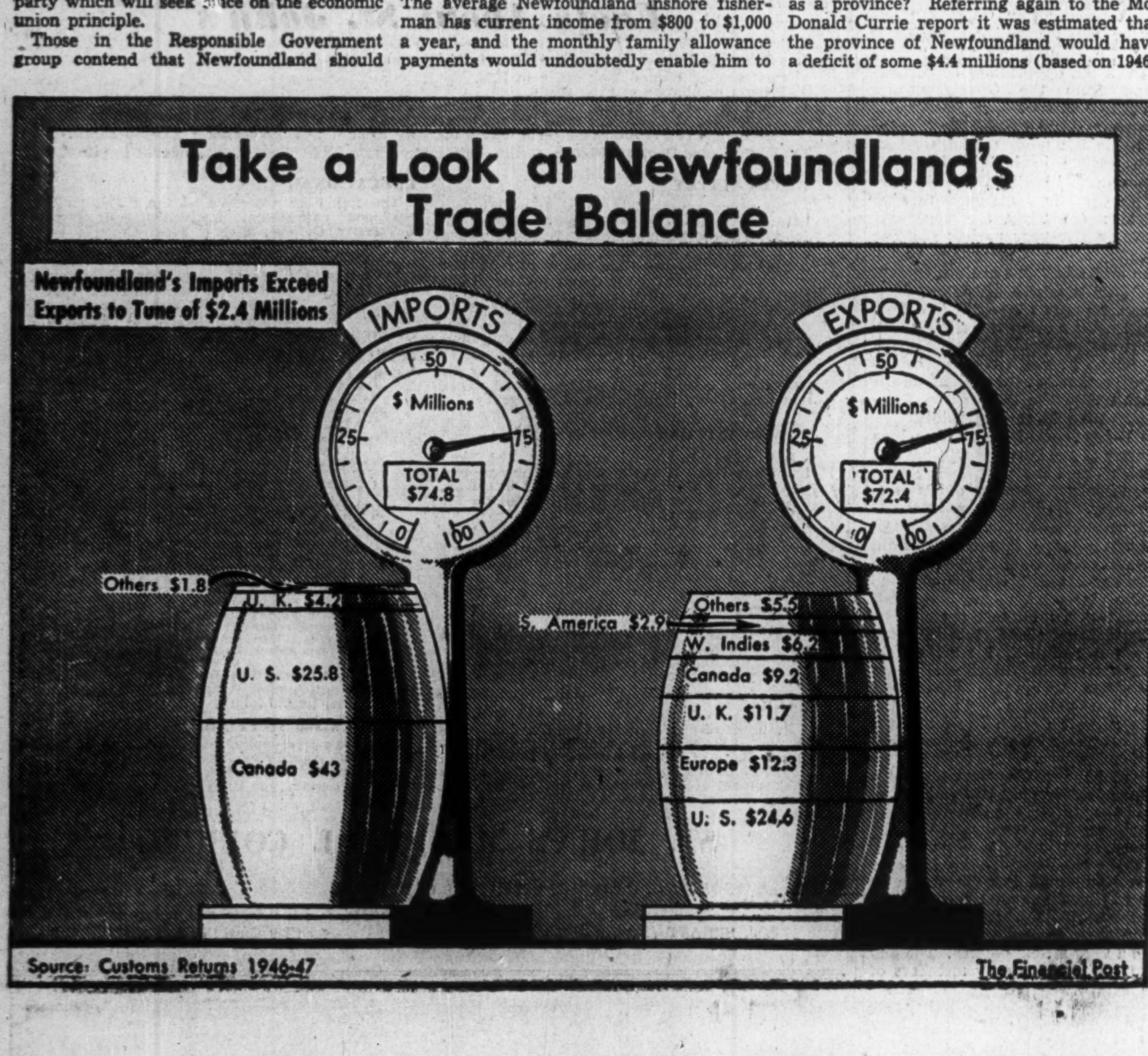
(2) To secure greater utilization of its resources and increase productivity, Newfoundland requires capital which practically all Newfoundland agrees must come chiefly from outside the country.

(3) Its strategic position in the North Atlantic makes it important to both Canada and United States.

In announcing the Canadian offer Prime Minister King said: "Should the people of Newfoundland indicate clearly and beyond all possibility of misunderstanding their will that Newfoundland should become a province of Canada on the basis of the proposed arrangements . . ."

How big a vote would "indicate clearly and beyond all possibility of misunderstanding?" No one has said. But the statement is sufficiently wide open to permit the Canadian Government to back out unless the vote is decisive.

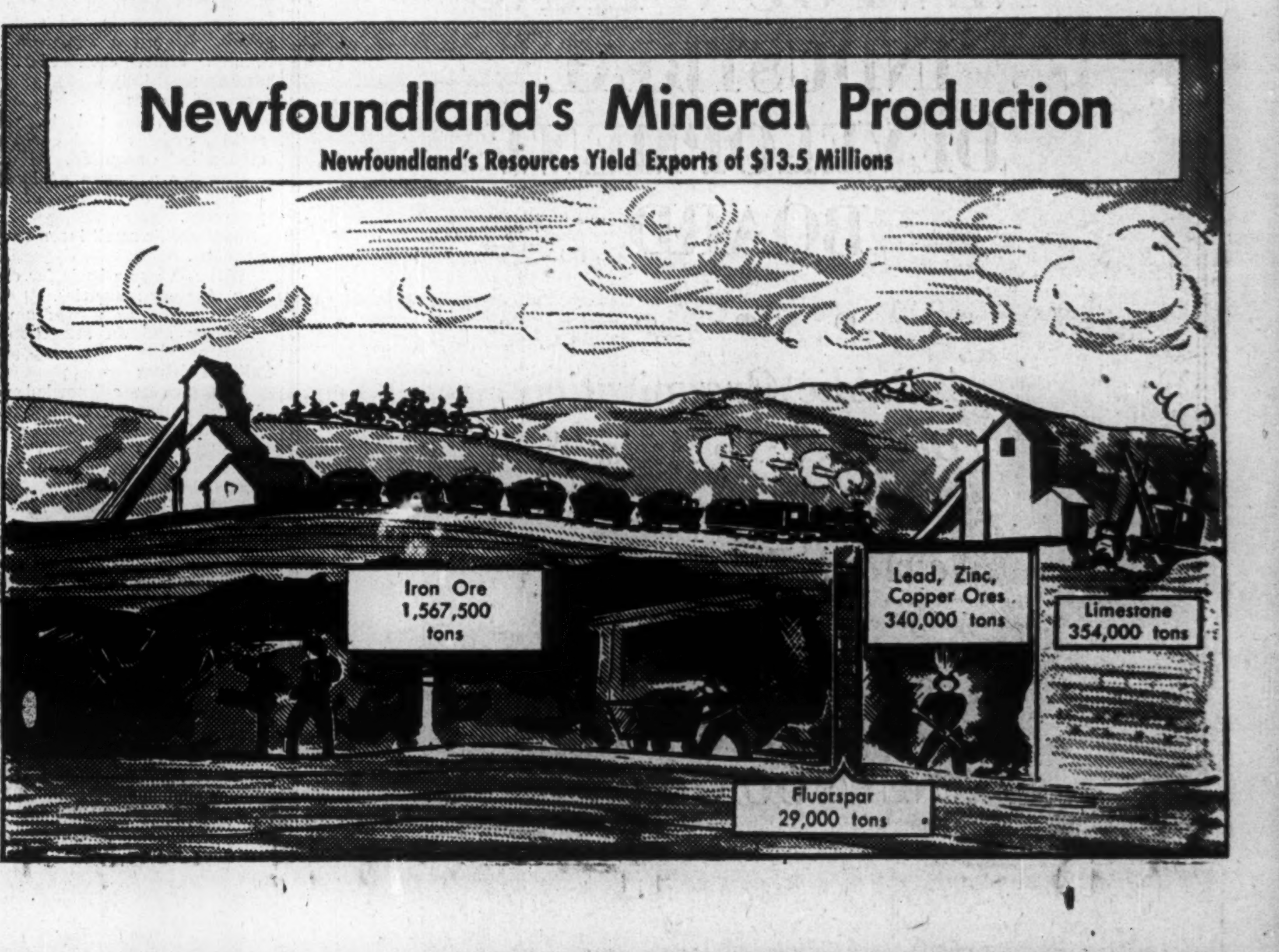
On one thing all are agreed: It will be bad for Newfoundland and its neighbors if the vote is not decisive and if present conflicts continue.



Take a Look at Newfoundland's Trade Balance

Source: Customs Returns 1946-47

The Financial Post



Newfoundland's Mineral Production

Newfoundland's Resources Yield Exports of $13.5 Millions

Labrador Iron May be Key to Whole Economy

Estimated $500 Millions Ore Proven in Exploration So Far

It is claimed that traces of just about every mineral have been found in Newfoundland, but only three or four have been discovered in commercial quantities. Recent developments indicate that the country has enough of at least one mineral—iron—to change the entire economic outlook of the country. Labrador's iron deposits may prove the most important factor yet in balancing the Island's economy.

Half a century ago the Island was an important producer of copper; at one time was the sixth copper exporting nation of the world. But by the middle of World War I the rich deposit had run out.

In the last decade of the 19th century the first cargo of iron ore from Wabana on Bell Island left for Halifax. Unlike the copper deposits large quantities of iron ore are still mined at Wabana, where is located one of the largest red hematite deposits known.

Of the other mineral developments, probably the most important was the opening of the complex ore body at Buchans in 1928. This ore contains copper, lead and zinc and is shipped both as ore and as copper, lead and zinc concentrates. More recently fluorspar deposits have been worked commercially by two companies, Newfoundland Fluorspar Co. and St. Lawrence Corp. (Nfld.). Asbestos Corp. carried out extensive exploration work on asbestos deposits but has decided to discontinue further work. Substantial quantities of limestone are also mined.

The Labrador Area

By far the greatest interest at present is centred on the Labrador area. Here the Labrador Mining & Exploration Co. is presently engaged in proving up tonnage of iron in the company's 20,000-square mile concession. These Labrador deposits are a continuation of the iron deposits in New Quebec which are currently being explored by Hollinger North Shore Exploration Co. Both companies are backed by Hollinger and M. A. Hanna interests.

The Hollinger Consolidated and Hanna interests through two subsidiaries (one operating in Quebec, the other in Labrador) have proved up so far about 140 million tons of iron ore. The 1948 program will be mainly devoted to proving up more tonnage of iron ore in the company's concessions. Before going into production the company expects to prove up a minimum of 300 million tons. Approximately twice as much ore has been indicated on the Quebec side of the property as in Labrador but more work on the Ruth Lake deposits in Labrador might narrow down this ratio, it is felt. Value of ore so far discovered is estimated to run as high as a billion dollars.

A charter has been secured for the Quebec North Shore & Labrador Railway to extend initially from Seven Islands on the Gulf 360 miles north to the area of iron deposits and tapping the southern two thirds of this region.

Under the Labrador Railway Act, 1948, passed by the Newfoundland Government, Labrador Mining & Exploration Co. must commence construction of the railway within five years (by 1953) and complete within 10 years. It also provides that goods and articles for use in connection with the railway shall be admitted into Newfoundland free of import duty for 20 years.

Royalty and Rental Arrangement

Under the Labrador Mining & Exploration Co. Ltd. Act, under which the company will operate in Labrador, the company will pay a flat yearly rental of 50 cents an acre, less any royalty paid within the year. The royalty payable will be a sum equivalent to 5% of the yearly profit, realized from the sale of iron ores, minerals, coal, etc. Thus if and when the company's production reaches a stage where royalties equal or exceed the rental no rent is payable.

Since the mine backers cannot accurately forecast cost of equipment, supplies and labor, officials are not making any rash predictions as to the eventual costs of the presently projected development. Unofficial guestimates have placed the over-all cost (Labrador and Quebec) at $200 millions. Construction of the 360-mile railway which will pass through approximately 150 miles of Labrador territory represents a multi-million dollar venture.

One of the key factors which makes mining ore in the remote Labrador-Quebec area feasible is the possibility of harnessing hydro-electric power to provide low mining and ore transportation costs. At Grand Falls on the Hamilton River in Labrador is one of the greatest undeveloped waterpower sites in the world. A power potential of one billion horsepower has been mentioned in connection with this site. At present there are no plans to harness this giant and it is believed that the first power development will be on the Kaniapiskau River in Quebec.

One of the major difficulties in the development of the Labrador iron area is its relative inaccessibility. In the preliminary stages this problem has been solved by the use of planes. All the equipment presently in use has been flown in, including tractors, bulldozers, trucks, diamond drills, churn drills. Last year 50 miles of road was constructed in the area and several thousand feet of diamond drilling completed. All this would have been impossible without heavy mechanical equipment brought in by plane.

In general, last year's program in Labrador consisted of road building, underground exploration, diamond drilling and geological mapping. In addition the company had three railroad survey parties employed during the summer months. It is hoped that the railroad survey from Ruth Lake to Seven Islands will have been completed by the end of 1948.

Following a trip to the Ruth Lake area in Labrador last summer, Newfoundland geologist Claude K. Howse reported:

"Almost everywhere along these roads, with the removal of the top covering of moss, there is exposed a rich red gravel indicating the presence of considerable amounts of iron ore, and a person need not be a geologist to realize that there are very probably in the general area many bodies of iron ore which have not been discovered to date and that the potential value of the area is considerably greater than the probable value of the iron ore deposits already discovered, great as is that value.

"The development of our Labrador iron deposits will have, I believe, a profound effect on the economy of our native land."

Other Mining Operations

While Labrador appears to be Newfoundland's best mining bet for the future, other mining operations on the Island itself are being maintained at a good level. Production of iron ore at the Dominion Steel & Coal Co.'s Wabana Mines on Bell Island totaled 1.4 million tons in 1947 compared to 1.2 million tons in 1946. During the year 605,936 tons were shipped to England and the stockpile at the end of the year amounted to approximately 183,750 tons. The balance of more than 700,000 tons went to Sydney smelters. Production from Wabana in 1948 is expected to reach the 1.5 million ton mark.

At Buchans the production of the lead-zinc-copper ore was down slightly last year at 340,000 tons (370,000 tons) due largely to increased difficulties of mining. The shortage of electric power also curtailed production to some extent. The Anglo-Newfoundland Development Co. which operates the Buchans Mines is now said to be conducting explorations to the southwest within a 40-mile radius of the Buchans. Early this year it was stated that an additional ore body had been discovered but the size has not been announced.

Production of fluorspar, an almost essential mineral in the manufacture of aluminum metal, was seriously curtailed in 1947, due to a shut-down in the fall because of lack of hydro-electric power. As it was, a total of 29,000 tons of fluorspar was mined compared to 20,272 tons the previous year. It is probable that another 8,000 tons could have been mined if power supplies had remained normal. Newfoundland Fluorspar Ltd., a subsidiary of Aluminum Co. of Canada, increased its operations last year to some extent and produced about 10,000 tons. This company along with the Pennsylvania Salt Manufacturing Co., undertook a program of diamond drilling during the year. To prevent a recurrence of last year's shortage a 400-hp standby Diesel powered generator is being installed which can supply power to both the Newfoundland Fluorspar Co. and the St. Lawrence Corp. (Nfld.).

At Aguathuna limestone is mined for the operations of the Dominion Steel & Coal Corp. at Sydney. Last year 322,000 tons of limestone were mined slightly under the 350,139 tons mined in 1946. However, the company is now engaged in extensive development work for the opening up of a new quarry to the east of the old quarry which has been supplying the company's limestone needs for 30 years.

For some years the Newfoundland Commission of Government has put geological survey parties in the field to search for additional mineral resources. Last year one expedition was sent to Labrador and seven parties were working in Newfoundland. In addition the Photographic Survey Co. of Toronto did an aerial survey of 5,000 square miles in Labrador for the Government and it is planned to do another 5,000 square miles in 1948. These aerial surveys also provide data on the Labrador forest resources.

An important item in the 1948 Newfoundland mining program is the continued investigation of coal deposits. The presence of coal deposits in Newfoundland has been known for many years but the seams are fractured and faulted to such an extent that so far it has not been found possible to mine commercially. There are three main coal areas on the Island: St. George's, Codroy, and the Howley area around Grand Lake.

This year it is proposed to have two drills operating in the coal areas and work is under the direction of Professor Hayes of Rutgers University and Professor Ritson of the Royal School of Mines, London. While the discovery of commercial coal deposits on the Island would make the Island more self-sufficient, mining experts are not too optimistic.

Handicraft Centres Develop Skills, Attract Tourists, Create Industry

Things are humming in St. John's King George V Institute these days. Better known to wartime visitors as Caribou Hut, the building now houses Newfoundland's Handicrafts Centre. Up on the third floor a young student is modeling statuettes in native clay. In another room, big chunks of rock are cut and polished into delicate and colorful Labradorite stones. Downstairs a dozen or so girls weave multicolored scarves on hand looms. On the main floor a class of students listens attentively to a lecture on nutrition.

Throughout Newfoundland in the outport communities the same sort of activity on a smaller scale is going on through the long fall, winter and spring months. For the first time the country has in operation a program which gives Newfoundlanders the opportunity to acquire manual skills, develop artistic talent, make things for themselves.

In the term just ended some 80 full-time day students and 750 night-class students completed courses in more than a dozen handicraft subjects. Working with looms, clay molds and baking ovens, wood-working tools, and stone-polishing equipment, they produced articles for sale and their own use.

Big Sale To Travelers

Handmade earrings, pottery, statuettes, scarves, rag dolls, leather pocketbooks, magazine racks—these are a few of the items made. And chances are that you will find them not only in Newfoundland but in homes anywhere from Boston to Brussels. Newfoundland handicraft articles are sold at a counter in the huge waiting room at Gander airport; and there is seldom an hour in the day that some airline passenger, from any one of a half dozen countries, is not purchasing some knick-knack to take home. Sales from this one outlet alone, it is said, run more than $2,000 annually.

Actually, handicrafts in the Island are just getting nicely under way. While several organizations, such as Nonia, International Grenfell Association, National Institute for the Blind, etc., have sponsored handicrafts for a number of years, the idea of home production did not catch on until recently. It is stated that until now, some of the best articles were made by the Labrador Eskimos.

If the efforts of these organizations met with only limited success, it was due primarily to lack of any co-ordinated program and proper training facilities. These deficiencies have been largely remedied, and the Island's handicrafts program is off to a flying start. Three years ago the Commission of Government, on the recommendation of the Industrial Development Board, inaugurated a full-fledged handicrafts program and backed it up with a yearly appropriation.

Both Economic, Cultural

Backers of Newfoundland's handicrafts program believe it has both economic and cultural values. Here are some of the benefits under each of these headings:

Economic Values

Leisure time put to work making articles which could not otherwise be acquired.

Provides a source of income during the off season of employment.

Supplements small incomes and pensions.

Will serve as a basis for creation of minor industries.

Will serve as a medium of publicity and an attraction to tourists.

Cultural Values

Will provide a knowledge of domestic raw materials and their potential uses.

Will present opportunities for research in the use of new materials.

Will contribute to the national culture.

Provides training in design and in the choosing of color, form and texture.

Vocational Courses Given

In practice, Newfoundland's program goes a step farther than the strictly handicraft training. It provides in effect a short vocational training course as well. For example, all full-time male students must take drawing and designing, all female students cooking. Courses in these subjects would be roughly comparable to manual training and household science courses in Canadian high schools. A complete list of the courses offered, however, would include: knitting, weaving, braiding, needlework, sewing, cooking, leatherwork, pottery, felts and fabrics, stone-polishing and cutting, paper, woodwork, woodcarving, art metalcraft.

Many Newfoundlanders say the handicrafts program is one of the most important educational developments in recent years. With a population scattered around 6,000 miles of coastline, few of the Island's communities can afford a handicrafts or vocational school of their own. This has meant that there has been little or no opportunity for Newfoundlanders to develop manual or artistic skills. Thus the development of a national culture has been difficult to achieve, and Newfoundland has been the loser. Many talented Newfoundlanders have left for other countries where opportunity for development is greater.

In Newfoundland, however, the economic importance of handicrafts cannot be overlooked. With its biggest industry, fishing, operating only six months of the year, the handicrafts provide the ideal solution to the problem of off-season employment. And a fisherman whose top yearly pay may be no more than $800 is likely to welcome any means of augmenting his income. From the standpoint of the whole Island, the sale of handicraft articles will help to increase the value of the tourist industry to the country.

Aid to Students

An outstanding feature of the Newfoundland program is its down-to-earth approach to the job at hand—teaching handicrafts to the largest number of Newfoundlanders possible. For example, in the first course in 1946, the preference was given to students from existing organizations such as Nonia and the Grenfell Association. Some of these had already received a basic training in some of the handicraft, and could, therefore, progress fairly rapidly in the more advanced courses. They also were likely candidates as leaders in handicraft work in their local communities.

The Government has, however, done more than merely provide the staff and facilities for teaching handicrafts. Full-time day students from the outports who attend the school in St. John's receive subsistence allowances covering the actual cost of the board and lodgings up to $45 a month. Commuters are allowed $30 a month. Such financial support is a clear indication of the importance which Newfoundlanders attach to the development of handicrafts.

A further step was taken last year when promising graduates of the Handicrafts School were given the opportunity of borrowing from the Government a limited amount for purchase of tools and materials. Such loans enable the more skilful workers to engage in handicrafts on a commercial basis. There are only two conditions attached to such loans: (1) They are repayable over a five-year period; (2) The borrower must undertake to act as a "leader" in the development of handicrafts in his or her community; must also agree to devote at least one evening weekly, without pay to teaching the handicraft subjects in which he has received instruction at the handicrafts centre.

Plan More Instructors

It is expected that before long many of the outports will have at least one handicraft leader who can instruct members of his community. Besides these local instructors, however, the Handicrafts Centre launched a field work program. Late last year a former student was engaged to give instruction in handicraft work at an outport community, Cape Broyle; and it is intended to put a full-time staff of six instructors in the field. These workers will teach handicrafts in the outports both for the Handicraft Centre itself and for any organization which requires their services.

While the Handicraft Centre has operated only two full terms, it can already point to some notable achievements. It was the need for a suitable pottery clay which resulted in discovery of a Newfoundland clay which can be used in its natural form. It is said suitable for either mold-modeling or casting, and produces a very strong pottery. The discovery was made by members of the Newfoundland Forest Rangers who had been asked by the Handicrafts Centre to collect likely-looking samples.

Members of the Handicraft Centre staff have chalked up an achievement of their own. In the stone polishing department, they have solved the problem of polishing Labradorite, a type of feldspar found in Labrador and Greenland. After polishing it gives off beautiful shades of green, blue, brown and grey. It is stated that until recently, the secret of polishing Labradorite stones was held almost exclusively by Germany. Now that the Handicrafts Centre can polish its own stones, these will be used in small jewelry such as rings, pendants, earrings, etc.

From the economic standpoint, the Handicrafts Centre can also point to many encouraging results. While the centre so far has not engaged actively in marketing, it has done some market testing. In addition to the outlet at Gander, the Centre has stocked a showroom which is open to the public every day, and it is stated that all articles offered for sale were snapped up by tourists and local purchasers.

Generally, however, the whole aim of the Handicrafts program is to make the individual more self-sufficient. From this standpoint also, the Handicrafts Centre can claim some success. One evening student is now preparing to make plaster heads for store window dummies. St. John's florists have shown interest in some glazed pottery products. These, along with many of the other handicraft articles, appear to have a ready market. As more Newfoundlanders acquire handicraft skills, it is likely that sales, both to tourists and in the export market, will represent an important addition to personal income.

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CITY OF ST. JOHN'S
NEWFOUNDLAND
●
Facts About St. John's
The following facts concerning the City of St. John's are of interest:
First elected council took office in 1888.
Present population of City: 50,000.
The City has a Property Valuation of $60,000,000.00.
Annual Rental Valuation: $2,900,000 (on which taxation is based).
Fire Insurance Premiums collected within the City amount to approximately $500,000 annually.
The City Bonded Debt, $2,100,000 maturing 1969; interest rate 3½%. Bank Loans amount to $300,000.

WATER SUPPLY
The water supply is secured from Windsor Lake, situated five miles from the City of St. John's. The elevation of the lake is 500 feet above the City. Area of watershed; about twenty miles. A practically inexhaustible supply of first-class water is available for all requirements. Water pressures all over City are maintained at 80 to 130 lbs., which ensures ample fire protection. Although the supply is capable of giving 20,000,000 gallons per day, the average daily consumption at present is only 8,000,000 gallons.
In addition to the main water supply, an auxiliary supply is situated at George's Pond. This, however, is only used in case of emergency.

POWER AND GAS
Hydro-electric power is supplied by the Newfoundland Light & Power Company in conjunction with the United Towns Electric Company, Ltd., at a low rate. Ample power is available for future development.
St. John's Gas Company. New capital has been acquired to increase the scope of the company's activities and to supply gas to residences and for power purposes.

STREETS
Fifty miles of macadam roads; 8 miles paved roads; over 15 miles of concrete walks. Both concrete walks and paved roads will be increased in the very near future.

BANKS
Branches of the following Canadian banks are located in St. John's — Canadian Bank of Commerce, Bank of Montreal, Bank of Nova Scotia, Royal Bank of Canada; also Head Office of the Government of Newfoundland Savings Bank.

EDUCATIONAL
The following are some of the City's well-equipped educational institutions:—Memorial University College, Bishop Field College, St. Bonaventure's College, Prince of Wales (United Church) College, Curtis Academy, Bishop Spencer College, College of Our Lady of Mercy, K. of C. Memorial School, Presentation Convent Schools, St. Patrick's Hall and Holy Cross Schools, St. Michaels Church of England Academy.

MANUFACTURING
Some of the leading industrial firms are:
Bennett Brewing Company
Browning-Harvey Factories
Bavarian Brewing Co. Ltd.
Carnell's Carriage Factory
Chalker & Co. Ltd.
Colonial Cordage Company
Wm. Dawe & Sons, Ltd.
Harvey-Brehm Butter Company
Horwood Lumber Company, Ltd.
Imperial Tobacco Co.
Lawrence's Carriage Factory
Newfoundland Boot & Shoe Factory
Newfoundland Brewery
Newfoundland Butter Company
Newfoundland Clothing Company
Newfoundland Furniture & Moulding Co. Ltd.
Newfoundland Lime Mfg. Co. Ltd.
Parker & Monroe's Shoe Factory
Pope's Furniture Factory
Purity Factories, Ltd.
Riverside Woollen Mills, Ltd.
Standard Manufacturing Company
United Nail & Foundry Company
White Clothing Company
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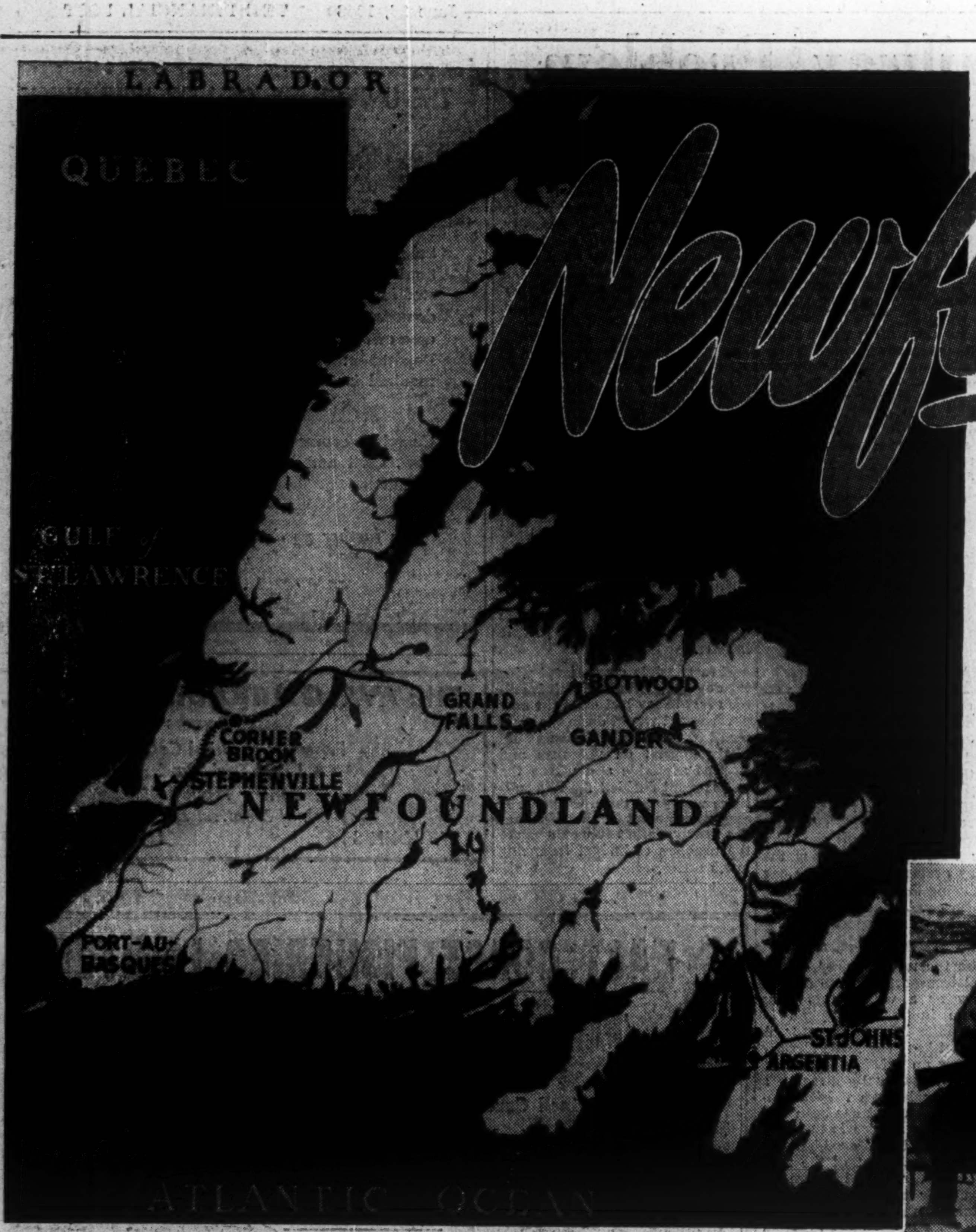

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The attractions and advantages which Newfoundland has to offer the sportsman cannot be surpassed elsewhere on the North American Continent.

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BIRD GAME SHOOTING — Partridge (Ptarmigan or Willow Grouse), wild duck, wild geese, snipe, curlew and many varieties of sea birds are indigenous to Newfoundland. For the open season consult the Government Forestry Division.

MOOSE AND CARIBOU HUNTING—a new thrill for big game sportsmen. Following the lifting of the close season in recent years, herds of lordly caribou and moose now roam the interior of the Island offering unequalled sport for gun and camera alike.

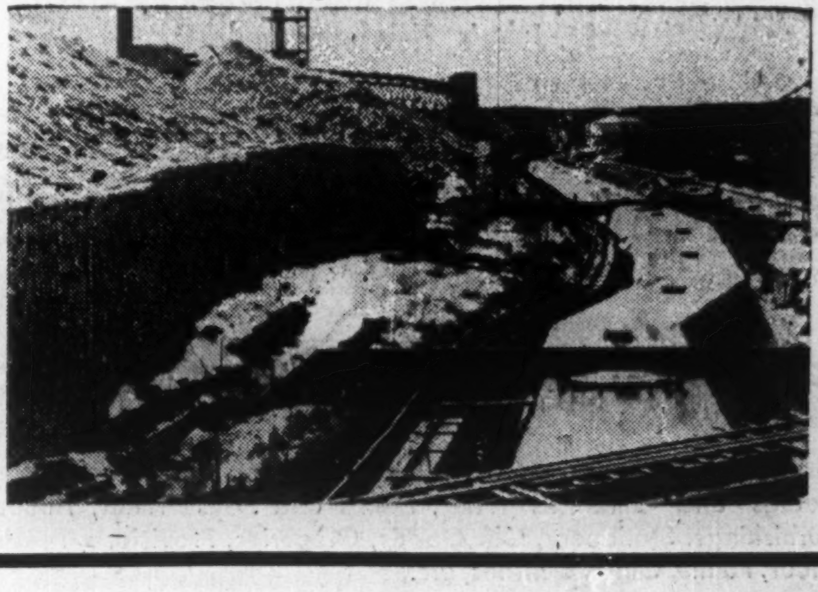
NEWFOUNDLAND, Britain's oldest colony, offers many opportunities for industrialists and enterprisers. Among her natural resources are a variety of raw materials for manufacturing including lead, zinc, copper, iron, limestone, pyrophyllite and other minerals. Deposits of gold, copper and molybdenite await development. Newfoundland and Labrador provide some of the largest remaining sources of pulp timber in the world. This makes pulp and paper production one of our major industries. Opportunies for power development abound along our waterways.

Newfoundland's strategic location at the crossroads of sea and air traffic between points on this continent, South America, Europe and Africa promises a big future in export trade. Here is provided the ideal distributing centre for all types of commodities, originating here and elsewhere. Why not spend your vacation here and investigate the vast opportunities offered? You will have our full co-operation and we will be glad to supply any information you may require.

FISHING as an industry has been the mainstay of Newfoundland for three centuries. The world's best codfish is our main export commodity. In recent years great progress has been made in the production of frozen cod-fillets. Herring, lobster, salmon and seal fishing are also of much importance. Below is a scene at one of our many fish processing plants.

MINING is destined to play a big part in Newfoundland's industrial development. Surveys have been promising. The world famous lead, zinc and copper mines at Buchans, and one of the largest known iron ore deposits in the world at Bell Island are examples. Iron ore discoveries recently made in Western Labrador show that Labrador, too, offers great opportunities for development. Limestone, fluorspar and pyrophyllite are also produced in large quantities. Many other minerals offer attractive opportunities to enterprise.

PULP and PAPER With a vast source of pulp timber at hand here and in Labrador, Pulp and Paper production has already been expanded, by two large paper organizations, to the point of being one of the Island's major industries. Other pulp products can be readily developed here. Why not investigate the possibilities?



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Here Is Newfoundland's Railway Problem

Will Better Efficiency Beat Higher Operating Costs?

As the trains chug out of St. John's station and snake their way along the 705 miles of track across Newfoundland to Port aux Basques, they carry with them passengers, freight, a good part of Newfoundland's financial headaches and a bigger part of its present prosperity. Newfoundlanders jokingly call it the "Newfoundland Express" but the operation of the Island's only transinsular transportation service is no joke.

Fifty years ago on July 1 a Newfoundland newspaper reported the following: "The successful run of the first through train from St. John's to Port aux Basques and the transfer to Sydney of the 'Bruce' marks a new epoch in our history as a Colony." The writer of that piece was correct in his forecast. A new epoch was ushered in but it fell short of expectations.

Newfoundland's railroad was directly responsible for the development of the pulp and paper industry. Neither Anglo Newfoundland Development Co. nor Bowater's on the West Coast could have reached their present production stature without it. Mining of lead, zinc and copper at Buchans would have been impossible without the railroad, and chances are fluorspar would still be lying in the ground untouched. All of these industries are essential to Newfoundland's economy; pulp and paper is in fact the most important industry on the Island.

Blazing new trails is costly business for railroads. While the Newfoundland railroad was opening up the interior of the Island and paving the way for new industries, it was losing money on its own operations. A history of the railroad in Newfoundland could be featured by the one word **"deficit."** With the exception of five years (four of them during the war) the Newfoundland Railway has chalked up an operating deficit since its inception. In 1923 it was taken over by the Government as a state-owned enterprise.

These deficits have played an important part in Newfoundland's history. According to the Amulree Commission report in 1933 the Newfoundland Government paid out more than $42 millions on the railroad to the end of 1932. And of this over $39 millions was represented in the national debt. The significance of this can best be appreciated when it is realized that the total net public debt as at March 31, 1948, amounted to $73.2 millions; or in other words about half the present net debt can be charged up to the railroad.

And since 1932 operating deficits have continued to appear with fair regularity as the following table shows:

Year	Deficit $
1933-34	137,616
1934-35	29,984
1935-36	42,371
1936-37	32,833*
1937-38	73,569
1938-39	303,656
1939-40	82,954
1940-41	498,629*
1941-42	1,447,430*
1942-43	226,666*
1943-44	116,818*
1944-45	525,700
1945-46	1,035,624
1946-47	2,076,967
1947-48	1,820,000
Net Deficit	$ 3,806,065

* Surplus

In addition to meeting the operating deficits, the Newfoundland Government has also made large capital expenditures for rolling stock, equipment, etc. Since July, 1923, the Government has advanced grants-in-aid for capital additions and improvements totaling approximately $13 millions.

It could be pointed out that the Newfoundland Railway is in a similar position to the Canadian National Railway with its recurring deficits. In the case of CN, however, the big funded debt with the high interest charges is in large measure responsible for past deficits. The Newfoundland Railway has no funded debt or capital stock of its own and is dependent on the government treasury directly for its capital requirements.

Made Industries Possible

A fair picture of the place of the Newfoundland Railway in the Island's economy cannot stop, however, with the unhappy record of deficits. Against the government expenditures for operating deficits and capital expenditures must be placed first of all the industries which the railroad made possible and the wages paid by those industries. And secondly the direct employment and wages provided by the railway itself has been an important factor over the years in Newfoundland's economic life. Last year the railway had 4,226 on its main payroll and paid out $6.8 millions in wages.

Thus on balance it would seem that the railroad, deficits and all, has more than paid for itself. With no railroad and no pulp and paper industry it is likely that Newfoundland would have been harder hit by the depression of the 1930's than it was. And if there had been no pulp and paper industry it is probable that (1) more Newfoundlanders would have left the country for Canada or United States or (2) the Newfoundland Government would have been compelled to pay out more for unemployment relief. In either case Newfoundland would be the loser.

There are several reasons why the Newfoundland Railway has not measured up to the expectations of its pioneer builders. Most important probably is the fact that while the railroad, as in other countries, pushed back the frontiers, there was not sufficient behind the frontiers in the way of natural resources to support the venture.

Part of the railroad's difficulties can be attributed to overbuilding in the early stages of its development. In an effort to cut costs, however, a number of branch lines have been abandoned in recent years.

Runs Over Rough Country

Some Newfoundlanders claim that many of the railroad's financial losses could have been avoided if the rail line had followed a different route. As it is, they say, the road runs over some of the roughest, toughest ground to be found anywhere which increases operating costs. In addition, they state, the present main line does not touch many areas which could be revenue producers.

A glance at some of the operating figures of the Newfoundland Railway seemingly bears out the fact that it is a costly road to operate. In the following table are some significant comparisons between the Newfoundland Railway and Canadian National and Canadian Pacific for 1947.

	NFLD. RLWY	CPR	CNR
Net operating income per mile of road	$1,793 (d)	$1,013	$2,430
Rev. per passenger mile (cents)	4.12	2.33	2.40
Rev. per ton mile (cents)	2.90	1.00	.95
Ratio operating expense to revenues	119.10%	90.63%	87.02%
Ratio payroll to revenues	75.15%	54.55%	47.25%

(d) deficit

From this it will be seen that while the Newfoundland Railway gets almost twice as much per passenger mile and per ton mile, it shows a deficit on operations per mile of road. This is reflected again in the ratio of operating expense revenues which in the case of the Newfoundland road is 119.1% against the 90.6% for CN and 87% for CP. Also on the basis of the above comparison in Newfoundland the payroll takes more out of revenues than on the Canadian lines.

A good part of the increased cost of operating the railroad in Newfoundland is due to the difficult terrain over which the road passes. At one point in the road—Gaff Topsails—for a distance of 15 to 18 miles the line is blocked nearly every year by snowdrifts. (After shoveling, the snowbanks on either side of the track are often higher than the railroad cars.) Keeping this part of the line open costs from $70,000 to $80,000 during a bad winter.

Improving Efficiency

Newfoundlanders and the Newfoundland Government are fully aware of the railroad problem. Every year the Finance Commissioner emphasizes the drain and the strain which the railroad places on the national budget. What is being done about it?

Like most railroads today the Newfoundland Railway is attempting to effect operating economies by newer, more efficient equipment. For example, all locomotives are being converted from coal to oil. Coal has increased in price in Newfoundland from $9 a ton in 1939 to $20 a ton in 1948. At the same time it is stated that dollar for dollar oil yields more Btu's than coal.

In addition to the conversion to oil the railway has received delivery of three new oil burning locomotives and six more are on order from Montreal Locomotive Works. It has also ordered three Diesel-electric switchers from General Electric. Other new rolling stock on order includes 100 flat cars, 50 box cars, and eight first-class passenger coaches. This year the company is working on an extensive ballasting program which includes rock ballasting the main line.

While a program of this type is essential both to the reduction of operating costs and ordinary maintenance, it does not touch the basic problem. It does not because the fact is that even were the railway to break even on its operation Newfoundland would still not have an efficient transportation system. Since the main line cuts across the interior of the island the many small communities along the coast must still rely on water for their transportation.

The railway does operate a coastal steamship service and has recently purchased three new vessels at a cost of approximately $2 millions. Water transport is, however, comparatively slow and bad weather conditions can play havoc with schedules. Thus the railway problem is not alone one of reducing the operating deficits but also covers the bigger question of Island transportation.

Ask More Roads

Since the railroad only does a partial transportation job for the country as a whole, there has been an increasing demand in Newfoundland for more roads. A good start has been made already in linking up existing roads into what will eventually become a transinsular highway. More recently air transport has been filling in where service is not provided by railroad or highway. From the standpoint of the railway, however, the increase in highway air travel will tend to still further reduce revenues.

To take a look at this question the Commission of Government last year engaged railway expert H. E. O. Wheeler to investigate the railway operations. In his report Mr. Wheeler advocated a Transport Board to deal with all forms of transport. It was his belief that such a board could effect an orderly planning of rail, road, sea and air transportation.

Many Newfoundlanders think such a board would be a good idea if it would speed the day when more bus and plane service were made available. Actually, many of them say (some in the railway itself), that a good plane service would provide an excellent solution to transportation problem on the Island. Landing strips, they point out, could be built in many small coastal communities at a fraction the cost of road or rail building.

In any case the formation of such a board would have to wait until the political situation is clarified. Under the terms for confederation offered by Canada, the Newfoundland Railway would be taken over by Canadian National. This would put the railroad and steamships under the jurisdiction of the Board of Transport Commissioners. Whether CNR would get into the bus transport business is a matter of conjecture. As for plane service, many of the feeder lines in Canada are operated by private business.

If responsible government wins the day in Newfoundland it is still too early to say just what the new government would do in the matter of transportation. Much would likely depend on revenues and surplus available and where the government decided the expenditures would do the most good. If any government could wipe out the yearly deficit it would make the problem of budget balancing much easier.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CANADIAN WALLPAPER MANUFACTURERS net profit at $232,199 in year ended Apr. 30, 1948, was 18.8% above previous year's final earnings when a $100,000 reserve was set aside for contingencies.

Trading operations during the year have been difficult and company has been faced with rising costs for raw materials and labor, particularly during last six months of the year, President Arnold Ashton states. The effect of these increases will be fully reflected in costs during the current year.

During the year extensive additions were started at plant of subsidiary, Stauntons Ltd., Leaside, which are expected to be completed within next six months.

INCOME ACCOUNT

Years Ended Apr. 30:	1948	1947
Operating profit	$232,574	$195,690
Less: Depr. off. furn.	375	295
Net profit	232,199	195,395
Less: Dividends	161,558	129,246
Surplus for year	70,641	66,149
Earnings per Share and Dividend Record:		
Cl. A & B	$1.80	$1.51
Paid	1.25	1.00

CONDENSED CONS. BALANCE SHEET

As at Apr. 30:	1948	1947
Cash & govt. bds.	$250,246	$1,225,665
Accts. rec.	939,764	559,901
Inventories	1,231,009	602,896
Total curr. assets	2,421,019	2,388,462
Misc. assets▲	470,278	519,770
Inv. in & adv. to subs.	......	366,238
Fixed assets‡	1,930,472	1,361,454
Total assets	4,821,769	4,635,924
Total curr. liab.	671,215	804,377
Capital stock	2,648,482	2,648,482
Reserves▲	454,040	468,306
Surplus	1,048,032	714,759
‡After depr. of	1,665,784	1,519,584
▲Incl. ref. EPT	169,040	243,306
Working capital	1,749,804	1,584,085

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The Dominion Steel and Coal Corporation is proud of its association with the people of Newfoundland and of the part it has been privileged to play in their industrial life. The Corporation is confident that the sturdy character and sterling qualities of this Island people will make for a greater and more prosperous future.

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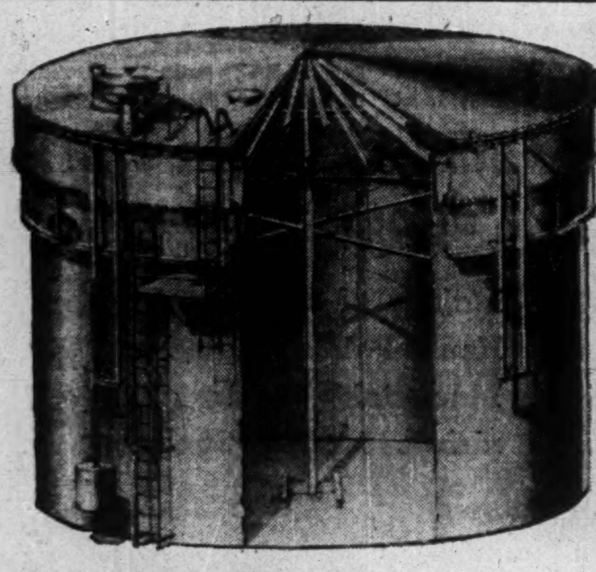

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PLANTS AT ST. JOHN'S AND COBBS ARM, NOTRE DAME BAY
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Many factors have tended to keep the economy of Newfoundland concentrated on its shoreline. Foremost of these is the fishing industry, accounting for 40% of the Island's exports. Pulp and paper and mining deevlopment, however, are pushing aside the barriers of rugged terrain, and construction of new roads is expected to open up still further tourist and other lands in the interior.

Isolation of Island's Communities Leads to Co-Operative Developments

Newfoundland's history, geography and topography have created many of the Island's present-day economic problems. Today's citizen cannot do much about any of these factors but they are doing a great deal to alleviate the economic effects of the past. Co-operation is one effective weapon which has been put to good use in recent years. And without swinging toward any of the utopian "isms," Newfoundlanders have discovered that the principle of co-operation has many advantages in a country where communities are small and isolated.

Actually, the co-operative movement in Newfoundland provides small-scale banking, insurance and social services. At present there are more than 65 registered credit or co-operative societies and as many more not registered. Membership in the registered societies is well over the 5,000 mark and assets total approximately $300,000.

In 1946 these Newfoundlanders, through their credit societies, advanced close to $286,000 to members. And since the first co-operative was organized, more than $1.2 millions has been loaned to members for various purposes.

Loans for Many Purposes

Credit societies will loan money to members for practically any legitimate purpose. And since the general-purpose co-operatives have started, other special-purpose groups have been organized.

There is, for example, the Cabot Co-operative Insurance Society, which provides a type of life insurance to its members.

On the West Coast there is the Humber Housing Co-operative Society at Corner Brook. This group was formed by citizens who decided to pool their resources for house building. As a start they pooled their savings, which provided the funds to build one or two houses. Once these were built they took out a mortgage on them, thus raising funds for more houses. This progressive building continue until each member has his house.

Other co-operatives have been formed for the purpose of bulk buying; thus reducing the unit price to each member. Another type is organized for group marketing of fish, lobsters, etc. Some of these latter groups have been particularly successful; it is stated that co-operatives account for about one-third of the live lobster exports from Newfoundland.

Held for Better Price

An example of how co-operatives have aided outport fishermen in getting a higher price for their catch was provided a few months ago. A number of co-ops had several thousand pounds of live lobster to market, and the going price was 14 cents lb. By pooling their financial resources, however, they held their catch and ultimately got 30 cents lb. In this case the co-operative provided a banking service; and one which had an important effect on the living standard of the individual members for the following year.

A similar report comes from St. Anthony, a village at the tip of the northwest arm of Newfoundland. A co-operative in this area markets cod liver oil. A year ago the price was 40 cents a gallon. By holding the oil for five months, the co-op received 78 cents. If there had been no such organization, chances are that few, if any, of the members could have afforded to hold their stocks for that length of time.

More recently some credit societies have introduced a hospitalization plan. In April this year, four societies adopted a program which called for a payment of $1 a month for a man and his family. For this premium the credit society will pay $3.50 a day toward hospital bills for 20 days in any one year.

Lack Buying Power

Probably better than anything else, the co-operative movement emphasizes one of the major difficulties facing Newfoundlanders in their attempts to raise the standard of living. The problem of 300,000 persons scattered over 6,000 miles of coastline is one which has beset Newfoundland Governments since the Island was first settled.

In generations past before the corporations, and government influence in business, the Newfoundland fisherman could buy and sell on an equal footing with his counterpart in other countries. Today he cannot. With a total yearly income of not much more than $800 to $1,000, his savings are meagre, to say the least. And in his purchases—most of which are imported and subject to customs duties—he does not get the benefit of the mass-buying merchandising methods of the department stores and food markets.

Thus Newfoundlanders living outside the larger centres have turned to co-operation as means of increasing buying and selling power. And there are active co-operative groups in St. John's, Corner Brook, and other towns as well. A glance at the following table of loans made by credit societies in 1946 shows the important part they are playing in providing many Islanders with funds to purchase the necessaries of life.

Purpose of loans	Value	% of total loans
Household effects	$55,400	19.4
Home repairs & payments	40,424	14.2
Clothing	31,661	11,1
Miscellaneous	22,292	7.8
Doctors & hospitals	20,194	7.1
Cars & trucks	16,653	5.8
Fishery outfits	14,185	5.0
Fuel	10,550	3.7

Can Buy for Cash Now

An important advantage of the credit societies is that it enables its members to buy for cash. In many parts of Newfoundland the barter or credit method of doing business is still practised; and its effects remain elsewhere. Under this system the fisherman turns over his catch of fish to the merchant, who in turn supplies him with food, clothing, etc. Thus the fisherman has had little opportunity to accumulate sufficient capital for his other needs. Today, however, with more fish being sold for cash, the co-operatives provide a means whereby combined savings can be used to the best advantage.

In the field of social services, the decentralized population has also had its effect. Many of the outport communities are too small to support municipal government, which would normally supply many of the public services. In this instance a co-operative is an inexpensive but effective answer Most of the clerical work required is handled by one individual who receives an "honorarium" for his services; thus funds are not eaten up by heavy administrative charges.

Newfoundland's economic fight against decentralization is further emphasized by the trend toward regional credit societies. A number of local societies join together into the larger or regional groups. This type of expansion adds further financial stability to each community group and to the individual members.

While the entire co-operative movement is under the aegis of the Government, the policy has been to let each co-operative run its own show. The job of registering and generally keeping an eye on the various credit societies comes under the Department of Natural Resources. Field auditors are sent out by the Department to check over the books of the societies and for this service the co-op pays 1% of its annual turnover. In addition, the Government conducts a co-operative educational program through field workers and radio broadcasts.

Co-operatives in Newfoundland began with the Grenfell co-operatives at St. Anthony under the International Grenfell Association about 25 years ago. This was followed by the Fishermen's Protective Union, which later developed into a joint stock company. Probably the biggest momentum to the movement came from the Antigonish movement in Nova Scotia about 15 years ago. Under the Commission of Government, a Rural Reconstruction Act provided for instruction and financial assistance to co-operative groups. Since then, however, the Government has gradually withdrawn its direct assistance.

COMPANY REPORTS

GREAT WEST COAL CO. consolidated net profits jumped 81.5% to $262,120 in year ended March 31, 1948, reflecting, in part, inclusion of earnings of Rosedale Collieries, a subsidiary. Higher earnings also reflected additional volume, aided by effects of higher operating efficiency as a result of improvements during the period.

Company has under way one further major improvement that will very substantially increase the efficiency of the Western Dominion plant, President J. R. Brodie states. No heavy capital expenditures are anticipated in the near future.

The past season has been a very satisfactory one in many respects, with an excellent demand for company coal, Mr. Brodie points out. At the moment, the market is expanding, and some valuable new accounts are in sight, which should more than compensate for any natural reduction resulting from a mild winter. Company believes the coming season promises substantial improvement over the present one, unless unforeseen conditions develop.

CONS. INCOME ACCOUNT

Years Ended Mar. 31:	1948	†1947
Operating profit	$874,115	$583,898
Add: Misc. inc.	10,594	18,671
Prof. on assets	11,712	5,195
Less: Fees & sales	33,707	30,610
Net earnings	862,714	577,154
Less: Depl.	108,830	78,939
Depr.	117,992	91,052
Income tax	273,772	207,676
Net profit	362,120	199,487
Less: Divds.	112,560	21,440
Surplus for year	249,560	178,047

†11 mos. of Great West Coal & 12 mos. of Western Dominion Coal Co.

Earnings per Share† and Div. Record:		
Common	$2.25	$1.24
Paid	0.70	*2.00

†Based on present capitalization.
*Before 15-for-1 stock split.

CONDENSED CONS. BALANCE SHEET

As at Mar. 31:	1948	1947
Cash & Dom. bds.	$983,767	$799,646
Accts. rec.	360,315	261,236
Inventories	103,104	76,842
Total curr. assets	1,447,186	1,137,724
Misc. assets§	62,660	71,539
Invest. in assoc. co.	....	370,620
Coal prop., etc.†	399,232	60,164
Mach., equip., etc.‡	435,244	205,905
Total assets	2,344,322	1,845,952
Accts., etc., pay	153,166	177,381
Taxes pay.	173,253	162,925
Total curr. liabs.	326,419	340,306
Min. int. in assoc. co.	4,680	....
Capital stock	1,072,000	1,072,000
Surp. re acquis. of subs	292,972	76,414
Earned surplus§	648,251	357,232
†After depl. of	868,725	592,063
‡After depr. of	1,120,040	931,989
§Incl. ref. EPT.	37,798	37,461
Working capital	1,120,767	797,418

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Secretary-Treasurer

PRESSED METALS OF AMERICA, INC. has had an additional 13,426 $1 par value common shares listed on the Toronto Stock Exchange, bringing total listing to 281,996 common shares. The additional shares were issued as a stock dividend on May 20.

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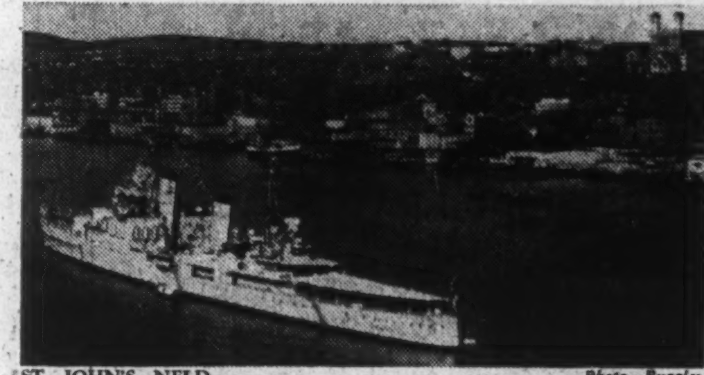

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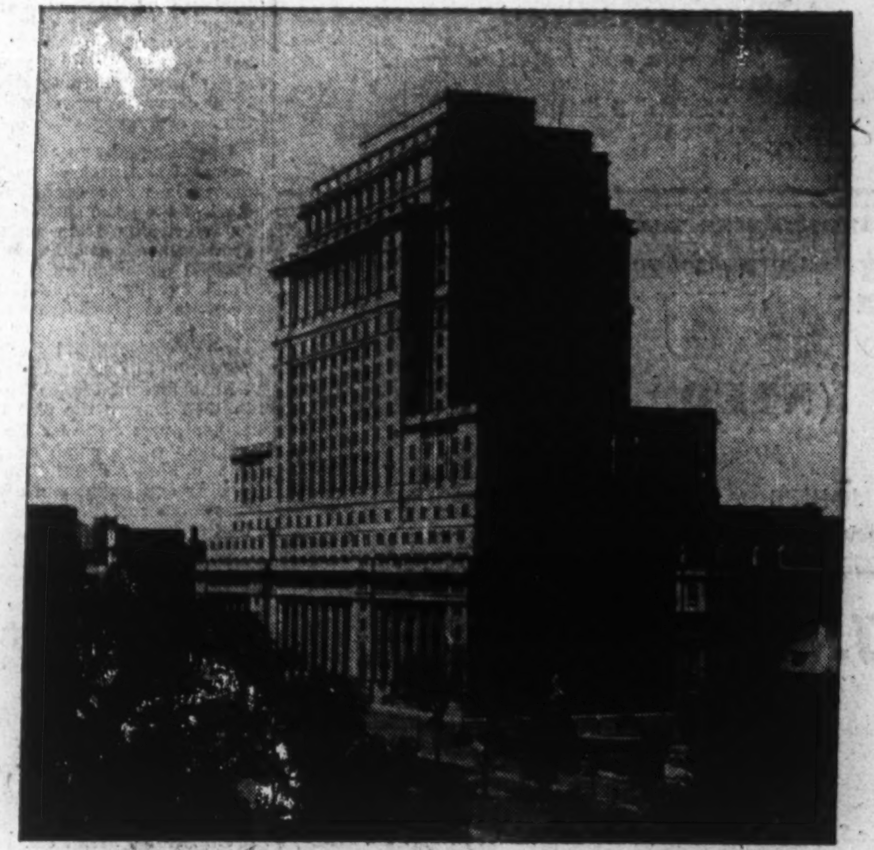

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THE LARGEST COMPANY OF THE BRITISH EMPIRE TRANSACTING LIFE ASSURANCE SOLELY

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St. John's, Newfoundland

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Exporters of Sealoil, Sealskins, Codoil, Dry Salted Codfish Canned Lobster, Pickled Salmon, Pickled Herring and all other Newfoundland Products

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Newsprint Tops Island Forest Wealth

Vast Timber Stands are Guarantee of Future Wealth

Pulp and paper is far and away the most important manufacturing industry in Newfoundland. Last year the country produced upwards of $35 millions of pulp and paper products; paid out close to $20 millions in wages; gave employment to more than 12,000 workers.

There seems little doubt that pulp and paper has contributed more to the Newfoundland economy than perhaps any other single factor. In a little more than two decades it has given pulp and paper workers a higher standard of living than the fishing industry has been able to achieve for the fishermen in centuries. Grand Falls and Corner Brook, the two pulp and paper towns, possess facilities and services which are not duplicated anywhere on the Island.

Bowater's Newfoundland Pulp and Paper Mills and Anglo Newfoundland Development Co., Newfoundland's two pulp and paper companies, have a big stake in the country. They own most of the Island's timber resources; Bowater's holdings covering an area of more than 11,230 square miles and those of Anglo Newfoundland 7,442 square miles. It is stated that the total stand on the Bowater limits totals over 20 million cords of pulpwood—enough to supply mill requirements in perpetuity without benefit of reforestration.

Holding these vast timber resources the future of the industry in the Island rests on the shoulders of these two companies, since there is not sufficient pulpwood available for a new mill. During the past year, however, reports from Newfoundland have indicated the possibility of pulp and paper development based on Labrador timber.

Newsprint Biggest Item

As in Canada, newsprint is the biggest item produced by Newfoundland's pulp and paper industry. Both companies also produce a substantial tonnage of dried sulphite pulp for export. Many observers believe that the future of the industry in Newfoundland lies in greater diversification; production of kraft, fine paper, paperboard, etc. Such a development would permit the industry to make a still greater contribution to the Island's economy, it is said. With the current shortage of newsprint, however, it is unlikely that the companies will sacrifice newsprint production for a program of diversification at the present time.

Last year production of newsprint totaled 373,375 tons which constituted a record output. In the first four months of 1948, however, production showed a decrease of 7.4% from last year. In 1947 Newfoundland shipped 212,160 tons of its production to the United States, balance of 169,464 tons going to overseas countries. This year due to reduced shipments to United Kingdom a still greater percentage of production is going to United States. During the first four months Newfoundland shipped 68,731 tons of newsprint to United States compared to the 62,367 tons during the same period a year ago. Shipments to overseas countries totalled 24,420 tons as against 35,611 tons in 1947.

Since both companies operate integrated mills there is a comparatively small surplus of pulp for export. Last year dried sulphite production totaled approximately 32,000 tons. This is the only type of pulp exported at the present time.

Bowater's Newfoundland

Deliveries of pulpwood to the mills of Bowater's Newfoundland Pulp and Paper Mills during the year ended Sept. 30, 1947, were adversely affected by severe drought conditions which prevailed throughout the summer and autumn of 1946 and resulted in some curtailment in production, particularly of sulphite pulp. Operation of the sulphite pulp mills was suspended until deliveries of new season's wood commenced in the late spring of 1947. From then on the mills were in full operation.

A total of 212,270 tons of pulp and paper was produced last year compared with 205,000 tons the previous year. The increase in production in spite of adverse circumstances was made possible by the speeding up of the export sulphite machine which operation is the first stage of Bowater's expansion program announced last year. At the next stage of the program it is planned to speed up the existing five paper machines to produce an additional 25,000 tons of newsprint per year.

Installation of an additional high-speed newsprint machine is being pushed in spite of delays. This machine will have an initial production of 75,000 tons a year. In addition it was announced last year that a groundwood mill will be erected with a capacity of 30,000 tons of pulp a year.

Export value of Bowater's output for the year ended Sept. 30, 1947 was $18.9 millions U. S. Wages paid for the 12 months ended Dec. 31, 1947, were estimated at $12.7 millions compared with $8.7 millions in 1946. The average number of employees is now 6,600.

Eighty miles of new roads were built during the summer and work was also started on a new highway from Grand Falls to Corner Brook. This is being carried on under an arrangement with the government and the two paper companies. The government is contributing $3,000 per mile and the balance is being shared by Bowaters and A.N.D. wherever the highway crosses areas operated by the companies.

Logging operations on the company's property are now carried on throughout the year. Mechanization of the woods operations is proceeding rapidly and the company has expended nearly $3 millions in connection with these. During the past 12 months 500,000 cords of wood were cut. This is a record for the company and it is believed to be the highest quantity ever cut by any single mill company in the world. It is said to be more than ample to take care of the increased requirements of the Corner Brook mills during the current year. Eventually the total annual wood cut is scheduled to reach 650,000 cords per annum.

Anglo Newfoundland Development

During 1947 the Anglo Newfoundland Development Co. mill operated at capacity producing the highest tonnage of newsprint manufactured in the company's history. This record was achieved notwithstanding adverse weather conditions and the shutdown of the sulphite machine in the early months of 1947. Newsprint and dried sulphite production for the year totaled approximately 181,000 tons and 12,000 tons respectively.

To take advantage of world markets further speeding up of machines is contemplated and work on this is in progress. The capacity of groundwood mills at Grand Falls is being increased by addition of four grinders and installation will be completed by the end of 1948.

The A.N.D. port of Botwood experienced one of its busiest seasons in 1947 and the fine weather experienced throughout the Island made the work at Botwood practically a nonstop operation. Imports and exports passing through the port amounted to approximately 377,000 long tons and shipments during the winter through St. John's were 32,643 tons.

In the 1946-47 season, the company cut a total of 321,000 cords of pulpwood and a comparable amount was cut and ready for the spring drive this year. During last year the company continued to build truck roads through sections of its timber limits which were opened for logging. The total for the season was 44 miles. The construction of one of the roads is a joint undertaking between the government and the two paper companies.

The company's mills at Grand Falls employ from 1,300 to 1,400 during the summer months and from 1,100 to 1,200 during the winter. Bishop's Falls mills employ 200 in the summer and 100 to 130 in the winter. The shipping port at Botwood takes a staff of 500 to 600 in the summer and approximately 100 in the winter. Anglo Newfoundland also has a permanent logging force of 300 men which is boosted seasonally to 2,000-2,500.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

INTERNATIONAL HYDRO-ELECTRIC SYSTEM 1947 net income was up 61.4%. Improvement reflects the successful conclusion during 1947 and 1946 of programs for the reorganization of the System's principal subsidiaries and the refinancing of their debts at lower interest rates, the reduction of debenture interest and a year of generally good water conditions and high demands for electric power, the annual report states.

Operating revenue of Gatineau Power Co. increased as result of favorable water conditions during most of the year, sustained demand for electricity from industry and growing needs of old and new commercial and residential consumers. Total output, including small amounts of purchased power, was 3,310,275,360 kw.h. (3,016,819,220 kw.h.). Consolidated peak load of 725,657 hp in August, 1947, compares with a load of 660,885 hp recorded in 1946. During the past two years expenditures made by the company on new construction amounted to $2.2 millions. Installation of generating equipment and additions to transformer stations and distribution system to be made during 1948 and 1949 are estimated to cost about $3.8 millions.

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$2,102,712	$722,448
Accts. rec.	620,390	401,653
Total curr. assets	2,723,102	1,124,101
Office equip.	132	132
Investments:		
Gatineau Pwr.	8,895,018	8,895,018
New Eng. Elec.	57,023,937	62,982,323
East. N.Y. Pwr.	9,813,810	9,813,810
Sundry	373,000	373,000
Total assets	78,828,019	83,189,604
Accts., tax, etc., pay.	810,652	842,745
Interest pay.	278,964	1,461,240
Debents. due	18,597,600	26,568,000
Total curr. liabs.	19,687,216	28,871,985
Capital stock	28,557,909	28,557,909
Paid-in surplus	42,084,277	42,084,277
Capital surplus	21,567	21,567
Deficit	†11,521,950	16,346,134
†Reflects credits of $3,982,691.		
Excess of curr. liab. over curr. assets	16,964,114	27,747,884

GENERAL INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Total net income	$2,441,928	$1,601,904
Less: Expenses	100,029	142,762
Tax. not incl. inc.	25,882	23,982
Net income	2,316,017	1,435,160
Less: Deb. int.	1,474,524	1,594,080
Net profit	841,493	*158,920
Times Deb. Int. Earned	1.57	0.90

*Loss.

INTERNATIONAL POWER CO. consolidated net profit showed an increase of 26.6% for 1947. Further progress in winding up of Porto Rico Power Co. resulted in payment to the company of $611,360 as its share of the distribution early in 1947. A further distribution will be received in the final liquidation.

Capital expenditures in 1947 totaled $1,657,767, and a further $3.1 millions is to be spent in 1948. Total of $4 millions of 6% first preferred stock was redeemed Jan. 9, partly in cash and to the extent of $2 millions by conversion into the new issue of 5% cumulative redeemable first preferred stock.

CONS. INCOME ACCOUNT
(In Canadian currency at par of exchange)

Years Ended Dec. 31:	1947	1946
Net earnings	$3,020,230	$2,941,641
Less: Subs. bd. int.	124,918	155,942
Subs. dividends	19,867	19,895
Depr. & ren. res.	840,192	794,970
Cont. & gen. res.	145,411	134,449
Min. int. in sur.	87,708	100,404
Bd. chgs., amort.	18,231	27,694
Net income	1,788,903	1,728,237
Add: Other inc.	182,521	91,447
Less: Misc. exp.	36,398	137,421
Debenture int.	208,204	244,486
Refin. exp., etc.	188,550	275,250
Add: Bond sale	82,561	156,800
Net profit	1,670,658	1,319,327
Less: 1st pref. divds.	240,000	286,000
Surplus for year	1,430,658	1,082,527
Times Int. Earned	9.29	6.88
Earnings per Share and Dividend Record:		
1st pref.: Earned	†	$16.49
Paid (new)	$3.00	3.00
Paid (old)	....	0.58½
2nd pref.: Earned	71.58	51.63
Common: Earned	11.34	7.89

None paid on 2nd pref. or common.

†Called for redemption Jan. 9, 1948, with holders given right to convert at least one-half into 5% pref.

CONDENSED CONS. BALANCE SHEET▲

As at Dec. 31:	1947	1946
Cash & Dom. bds.	$2,944,076	$4,240,580
Accts. rec.	1,356,821	683,537
Inventories	987,062	797,705
Total curr. assets	5,287,959	5,721,822
Misc. assets	291,903	330,755
Inv. in subs.	1,416,939	1,411,491
Fixed assets	29,698,820	28,364,568
Total assets	36,695,621	35,828,636
Bank loans	60,000	55,000
Accts., tax., etc., pay.	1,311,308	1,212,456
Total curr. liab.	1,371,308	1,267,456
Def. credit, etc.†	2,485,526	2,537,851
Funded debt	5,474,000	6,924,000
Depreciation	8,368,232	7,808,179
Other res.	2,046,813	1,846,405
Min. int. of sub.	1,238,697	1,164,356
Capital stock	7,622,750	7,622,750
Surplus	8,088,295	6,637,637
Working capital	3,916,651	4,454,366

▲Not including accounts of Porto Rico Power Co., in liquidation.

†Including $2,394,149 recd. by co. re Porto Rico Power in excess of investment therein; final distribution not yet made.

NATIONAL GROCERS net profit for the year ended March 31, 1948, was up 23.5%, after including a $70,000 credit for overprovision for taxes in prior years.

Margin between gross profit and operating expense was considerably narrower. Operating expenses, particularly labor, continued to rise during the year and more competitive selling conditions reduced gross profits, although a large increase in sales, especially during late in the year, made possible an operating profit only slightly lower than that of the previous year.

The management views the situation with anxiety, realizing that, as production of merchandise increases, prices and gross profits will drop more quickly than operating expenses, H. L. McNally, president, stated in the annual report.

For the first time in many years, very heavy loans from banks were necessary during the autumn and winter months to finance purchase of seasonally packed merchandise at increasingly higher costs and to provide for the needs of an expanding business.

INCOME ACCOUNT

Years Ended Mar. 31:	1948	1947
Net earnings	$1,750,335	$1,685,627
Add: Int. (net)	*14,262	33,911
Less: Deprec.	191,497	165,313
Inc. tax res.	†675,000	850,000
Net profit	869,576	704,225
Less: Pref. divds.	214,860	214,860
Common divds.	236,682	236,682
Surplus for year	418,034	252,683

*Debit.

†After crediting $70,000 overprovision applicable to prior years.

Earnings per Share and Dividend Record:		
Preferred	$6.07	$4.92
Paid	1.50	1.50
Common	2.21	1.65
Paid	0.60+0.20	0.60+0.20

CONDENSED BALANCE SHEET

As at Mar. 31:	1948	1947
Cash & Dom. bds.	$192,400	$605,795
Accts. rec., etc.	2,220,379	2,042,223
Inventories	4,623,050	4,111,575
Total curr. assets	7,035,829	6,759,593
Prepd. & def. chges.▲	364,518	372,718
Fixed assets‡	2,195,137	2,040,483
Total assets	9,595,484	9,172,794
O/s cheques	299,240	177,789
Accts. & taxes pay.	2,474,723	2,543,282
Other accr. liabs.	65,404	75,113
Total curr. liabs.	2,839,367	2,796,184
Conting. res.	250,000	250,000
Capital stock	3,160,652	3,160,652
Surplus▲	3,345,465	2,965,958
‡After depr. of	1,665,890	1,695,188
▲Incl. ref. EPT	▲298,625	305,580
Working capital	4,196,462	3,963,409

CAMPBELL RED LAKE expects to have a 300-500-ton mill in operation by early in 1949, President Clifford W. Michel states in 1947 annual report. Work on construction is proceeding.

Ore reserves at the end of 1947 were entirely in the A zone and comprised 171,114 tons of ore averaging $18.55 a ton at the current $35 price for gold. At the third level which is most fully developed, this zone shows a total of 1,015 ft. of ore averaging $2.58 a ton. A small amount of work has been done on the Central zone and "indications are that there are good prospects of making substantial tonnages of ore when fully developed," General Manager J. G. McCrea reports. Drives have been started to the north zone and at year end were just approaching the interesting zone on the upper three levels. "Development of a substantial quantity of good grade ore in sight in a relatively short period and the indication of additional ore from drilling is indeed most satisfactory," concludes Mr. McCrea.

Barring changes in the mining economy, it is estimated that approximately $2 millions will be required to bring the property to production. An agreement was completed with Dome Mines whereby Dome is to advance $1,750,000, this loan to be repaid out of first profits and bearing interest at either 4% or 5%, dependent upon "when declared." An option was granted to Dome Mines on a further 250,000 shares at $1 a share which it is expected will provide balance of the funds required. At Dec. 31, 1947, balance sheet showed $9,845 current assets against current liabilities of $91,250. Advances by Dome totaled $441,307 at that time.

ELDER MINES reports estimated income of $44,150, including $5,176 benefit under Bill 7, in May from shipment of 8,017 tons to Noranda smelter.

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FOR OVER 20 YEARS WE HAVE
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Large Rivers — Small Streams and Inland Lakes, all unleased, afford unbounded opportunity to test your skill against fish that fight to a finish.

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Join new modernly equipped steamer S. S. Cabot Strait which leaves North Sydney, Nova Scotia 8.30 p.m. Tues., Thurs. and Sat. Only 8 hour sea trip and direct connection is made at Port aux Basques, Nfld., with express trains (dining and sleeping cars attached).

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The Railway traverses some of the choicest sections of this Angler's Paradise and stops are made at most of the favoured fishing locations. Railway officials anywhere will gladly arrange guides, hotel accommodation or direct you to best camping sites.

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AND NORTH TO LABRADOR ALSO OPERATED.

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RIVERSIDE PRODUCTS

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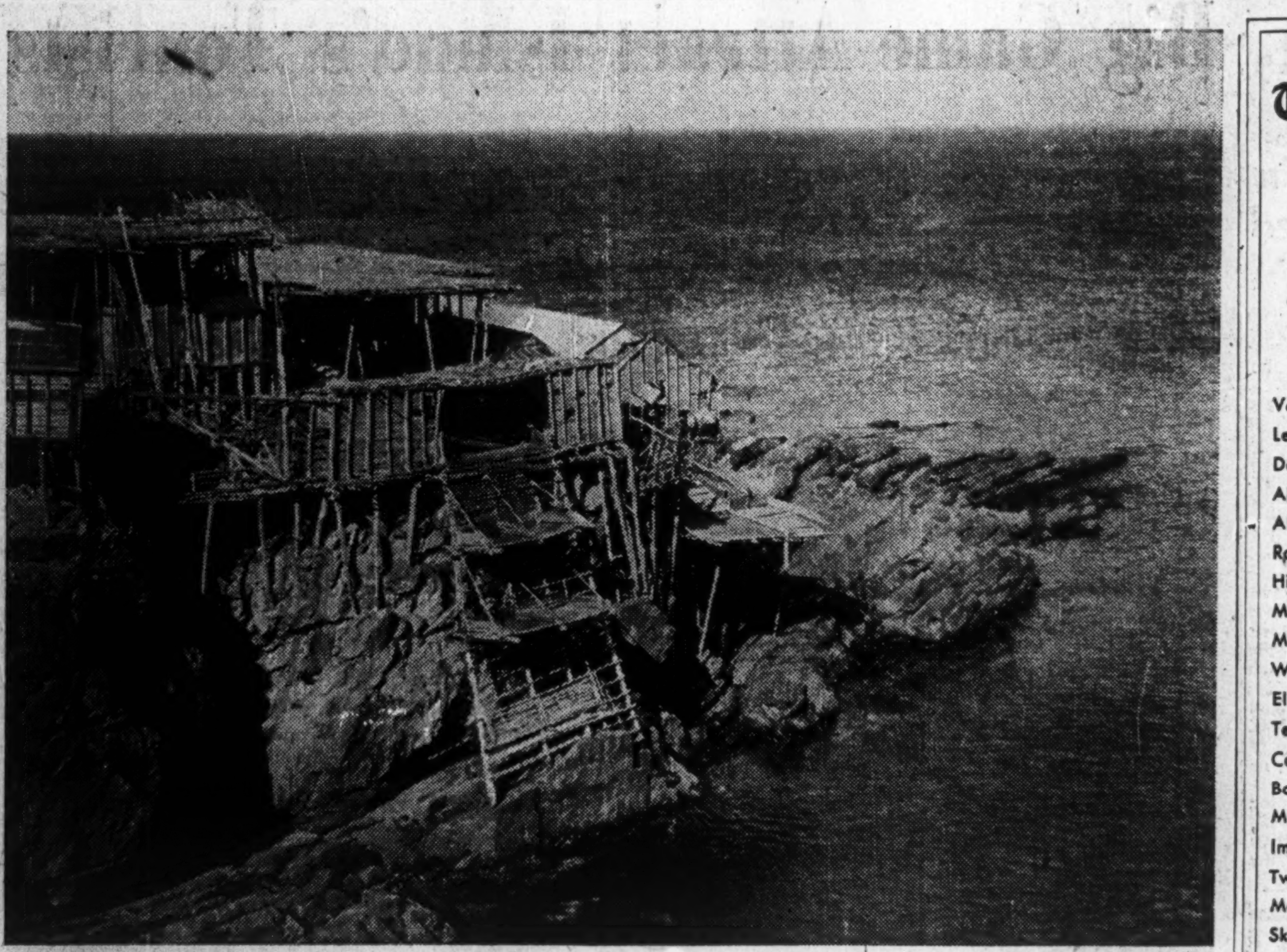

Fishing "Flakes" dot Newfoundland's shorelines near every settlement. Ingenious engineering feats are performed in the erection of the flakes, on which the stages permit hoisting the cargoes of fish from the boats to the shacks where they are cleaned before being laid out on the flakes to dry.

Fishing Base Is Broader

Seek to Diversify Product for Export

When Newfoundland's run-off referendum takes place in a few weeks to decide on a form of government, one of the important issues at stake will be the future of the Island's biggest industry—fishing. Many Newfoundlanders are asking: which form of government will do most for the fishing industry? Would the industry lose many of its hard-won gains under confederation? Or would it become a political football under responsible government?

It is important that Newfoundland finds the right answers to these questions. Fishing provides a livelihood for more than 40% of the population. Last year, 28,000 men were engaged directly in fishing. To these must be added wives and families and those individuals engaged in the distribution and marketing of fish.

$30 Millions of Exports

On a straight dollars and cents basis, the industry is just as important. In 1946-47 exports of fishery products totaled around $30 millions and in 1947-48 it is possible the figure may be as high as $34 millions. This puts fish exports just over 40% of the total dollar value of all Newfoundland's exports.

While the fishing industry has always formed the backbone of the Island's economy it has not given the average Newfoundland fisherman a particularly high standard of living. Even with today's high fish prices the fisherman is certainly not in the higher income bracket. Putting the 1947-48 export value of fishery products at the round figure of $35 millions and the number of fishermen at 25,000 the export value per fisherman would amount to $1,400.

Few fishermen would complain if this sum represented their annual income. The fact is, however, that the Newfoundland inshore fisherman makes just about half this amount—$700 to $800—a year. One reason of course, is that the export value includes not only the price paid to the fisherman but the exporter's markup, marketing costs, etc.

Also the total export value of fishery products includes not only dried cod—the biggest single item—but frozen cod fillets, herring, cod liver oil, and all the various types of fish and fish products. Since the majority of fishermen sell dried cod only it means they do not benefit from the sale of these other products.

Board Helped Industry

Newfoundlanders, however, are well aware of the inadequency of the fishing industry to provide a higher and more stable standard of living for the country's fishermen. And while Newfoundlanders rejected Commission of Government in the recently held referendum, many of them remember that it was Commission of Government which set up the Newfoundland Fisheries Board in 1936 to put the industry on a sounder footing.

This quasi-governmental body, under the able chairmanship of Ray Gushue, brought order out of chaos in Newfoundland's fishing industry. From a fiercely competitive, every-man-for-himself type of operation, the Board introduced and maintained a broad program of orderly marketing, high standards of quality, and greater diversification in the production of fishery products.

Because of the marked improvement which the Fisheries Board has effected in the industry, Newfoundlanders do not want to see it dissolved under a new form of government. Under confederation with Canada, the Island's fisheries would come under the jurisdiction of the Federal Department of Fisheries. And Newfoundlanders are inclined to the belief that their Fisheries Board is somewhat superior in organization and "know-how" to the Canadian department. At the same time more than one Newfoundlander has expressed the fear that under Responsible Government, the Board could lose much of its effectiveness if it should be subjected to political pressures.

Accomplishment Record

Under Commission of Government, the Fisheries Board has made an outstanding contribution to the fishing industry. In general terms here is what the Board has accomplished:

1. Introduced group marketing.
2. Raised the standards of quality.
3. Provided statistical services.
4. Encouraged greater diversification.

Before the Board was formed, Newfoundland's fishing industry was operated on the free enterprise system with a vengeance. Exporters competed with each other for markets and, in the scramble for business, cut prices, gave little thought to quality, and generally did themselves and the fishermen more harm than good.

To correct these cutthroat tactics which were bringing the industry to the brink of ruin, the Board introduced the group marketing system. In the initial stages, this was accomplished by organizing Newfoundland exporters into groups, according to markets. Thus there was the Portugal Exporters group, the Puerto Rico group, etc. Any exporter on payment of the required fee could join these groups. He could then declare to the group manager what quantities of fish he had available for export.

This group system had a number of beneficial results. It cut overhead costs of marketing for the individual exporter and it provided a strong marketing body. Many of Newfoundland's customers were organized into purchasing groups which gave the buyers a considerable advantage over the Newfoundland exporter doing his own selling. But the formation of the marketing groups put him back on an even footing.

Pool Fish Sale Returns

A further development in the group marketing system took place last year when the Newfoundland Associated Fish Exporters Ltd. was formed. This organization replaces the various individual market groups. All licensed exporters may join NAFEL and the membership fees provide the operating fund. Thus all sales of salt or dried codfish from Newfoundland are made by NAFEL on the basis of stocks declared by the exporters. Under the new setup all returns from the sale of fish are pooled.

It is claimed that the effects of the NAFEL organization on the fisherman will be beneficial. Some fisheries experts have pointed out, however, that it is in effect an export monopoly and as such will likely be subject to the weaknesses as well as the benefits of such organizations. It will undoubtedly give Newfoundland much greater bargaining power in the sale of dried fish in world markets. By the same token, it is pointed out, it can pretty much dictate terms to the fisherman should it so desire. Some Newfoundlanders think, however, that it may be only a matter of time until the fishermen themselves are organized into a country-wide producers' group.

On the basis of its record thus far it is virtually certain that the Fisheries Board will see that all segments of the fishing industry get a fair deal. In its 12 years existence, the Board has improved the fisherman's lot—sometimes against his will. A most important part of the Board's program has been the emphasis placed on maintaining a high standard of quality.

Inspection Compulsory

All exporters of salted cod from Newfoundland are required to take out an annual license. This license is granted on the basis of: (a) suitability of premises; (b) a reasonable minimum quantity of fish handled. In addition, inspection of fish for export is compulsory and is administered by the Fisheries Board. By means of licensing and inspection, the Board has built up a high reputation for Newfoundland fish in export markets. Claims by buyers on quality grounds have been cut to a minimum, it is stated.

This, of course, helps the fisherman as well as the exporter. By maintaining quality, Newfoundland is protecting its market position now and in the future when competition may become keener. And since exporters are no longer required to absorb losses on low quality merchandise, they should be in a position to pass along this saving to the fishermen in the form of higher prices.

This marketing program applies only to the dried or salted codfish branch of the industry. One of the weaknesses in Newfoundland fisheries is dependence on one specie of fish—cod—and dried cod in particular. Last year Newfoundland exported 855,612 quintals (quintal is 112 lb.) or 95.8 million pounds of dried and salted codfish. Exports of all other fish combined totaled only about 72 million pounds. Included in this latter figure is some 13 million pounds of frozen cod, cod tongues, canned cod, etc. Thus in one form or another, cod accounted for approximately 65% of all Newfoundland fish exports; and dried cod about 57%.

To provide a broader base for the industry, the Fisheries Board stimulated and encouraged greater diversification. By an extension of its program for high quality standards in other branches of the fisheries, the Board was instrumental in increasing the export of herring. In 1940, the export of all types of pickled herring totaled only 10.3 million pounds. By 1947, this had been jumped to 32.6 million pounds. This improvement was accomplished by

(Continued on page 33)

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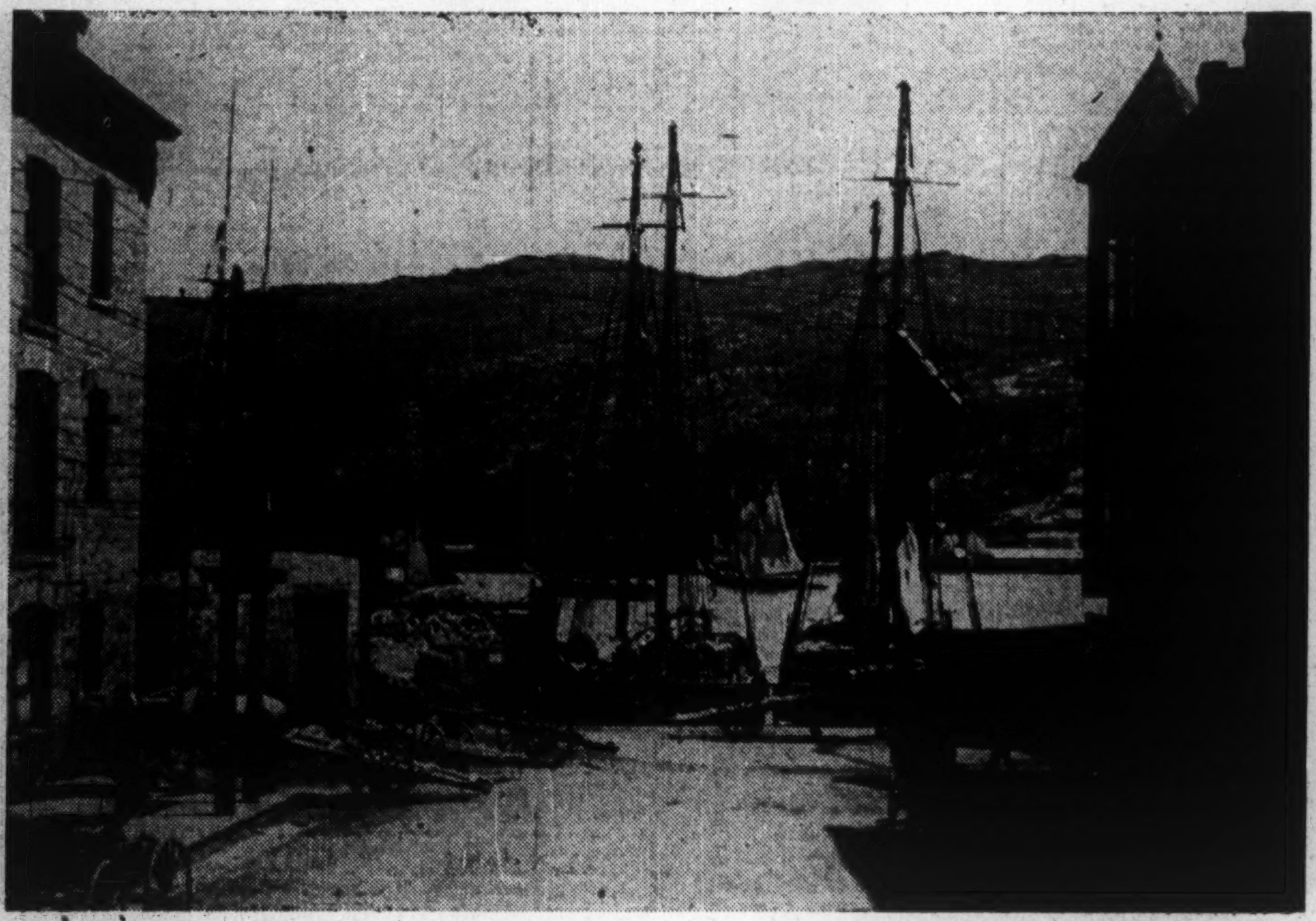
Fishing, Big Game Attract Island's Tourists

Better Roads, Accommodat'n Held Big Need

Newfoundland is one of the potentially important tourist areas in North America. Fish, game, scenery, excellent summer weather; all the raw materials essential for a thriving tourist industry are present in Newfoundland.

For the fishermen there are salmon in abundance as well as two or three species of trout in tidal or inland waters. Big game include moose, caribou and bear. In the summer Newfoundland's temperature ranges within a comfortable 55 to 80 degrees.

Hundreds of visitors have already sampled Newfoundland's many attractions but the tourist business is still not nearly as big as most Newfoundlanders think it should be. Every month the Newfoundland Tourist Bureau handles hundreds of inquiries from prospective Canadian and United States visitors. Too often, however, it has to reply, "sorry no accommodation" or "sorry, no transportation."



Against the rugged background of Newfoundland's natural beauties are picturesque holiday spots where a new phase of development in the Island's tourist industry may soon be found. Lack of roads offers one handicap in the program, but steps are being considered to improve conditions, and add to the "new wealth" possibilities of an area rich in fishing and hunting grounds.

Lack of fishing and hunting camps affords Newfoundland's fish and game more protection than the country's fish and game laws. While a few individuals operate fishing camps there are not nearly enough to handle the tourist potential. Also it is said that there is virtually no tourist accommodation which could be classed as "luxury" as the term is applied in United States and Canada.

Lack of roads also makes transportation difficult. While Newfoundland is only five hours flying time from New York it takes twice that long to get to the West Coast tourist areas, by train. Only in the Avalon Peninsula at the East end of the Island do roads offer the tourist a rapid means of transportation to and from fishing grounds.

What Tourist Business Needs

Living in one of the best tourist areas in the world, Newfoundlanders contend that something should be done to get the tourist dollars flowing their way. Last year the Newfoundland Tourist Board (a group of citizens serving without remuneration), tried to promote a program of tourist development. It hired a specialist who reported that Newfoundland had a very considerable tourist potential. When the Island's Commission of Government shelved the specialist's report, members of the Board resigned in a body.

The Commissioner for Public Utilities and Supply commenting on the report, stated that the principal considerations affecting the future of tourist traffic were: (1) expansion of the roads system; (2) provision of suitable accommodation. On the question of roads the Commissioner said that plans were proceeding as fast as circumstances would permit. As for accommodation, the Government felt it was a matter for private enterprise.

While many Newfoundlanders might agree with both statements, they also feel that unless the Government provides the necessary leadership, either by initiating or backing an over-all tourist program, the end result will be that nothing at all is accomplished. Since the resignation of the Board little has been done in the matter of a comprehensive tourist program. Newfoundlanders say, however, that a change in the form of government will bring some action in the matter of tourism.

Compare Selves with Maritimes

It is probably a fact, however, that any Newfoundland government will probably hesitate a long time before spending large sums on a still undeveloped tourist industry. Naturally enough Newfoundlanders look at Nova Scotia, New Brunswick and Prince Edward Island and the millions of dollars which tourists bring into these provinces. Actually the conditions in these provinces and in Newfoundland are not strictly comparable.

To begin with, all three Canadian provinces have hundreds of miles of roads — some paved, some not, but still roads. Also important is the fact that one of them—New Brunswick—is contiguous to the United States. Even P.E.I. is somewhat better off than Newfoundland since a car ferry operates between the Island and New Brunswick. In Canada by far the greatest percentage of tourists arrive by automobile; and conversely most Canadian drive to United States.

This does not mean that Newfoundland has been or will be by-passed by the tourist. Possessing one of the finest airports in the world, it is inconceivable that Newfoundland will not attract many hundreds of holiday visitors. It does indicate, however, that the country is not, at present, in a position to tap the mass tourist market. It cannot count on the casual visitor—the one who takes the family on a motor trip for a holiday. Thus it appears doubtful if the island can expect any great volume of tourists, at least in the near future.

Geographically and otherwise Newfoundland is probably better suited to the Bermuda-type tourist rather than the average American or Canadian holidayer. Transportation costs both by plane and train would likely deter the week end tourist but are quite within the reach of the New York, Boston, Montreal and Toronto executive by plane either for an extended week end or long holiday.

Would Car-Ferry Help?

This fact is almost certain to influence any Newfoundland government tourist program. It is doubtful whether the road building program could be rushed to completion on the basis of the tourist industry alone. By themselves roads would not provide much incentive to the prospective visitor if there were no means of transporting his car to the island. At present water transportation can only handle about half a dozen cars per trip from the mainland.

A car-ferry, or a combination car and rail ferry, similar to that operating between P.E.I. and the mainland would provide one solution to this problem. Both roads and ferry, however, would require capital expenditures which Newfoundland might find difficult to meet with its national revenue and expenditures at present levels. It is believed that the Commission of Government had this fact in mind when it stated that plans for road building were proceeding as fast as circumstances permit.

What then, is Newfoundland to do about the tourist business? Should it forget about it? Or is there a tourist program which can fit Newfoundland's purse and still attract the tourist dollar? Newfoundlanders who have studied the problem think there is. And the first requirement is more and better accommodation. If, as seems likely, Newfoundland's greatest hope is the business executive, the luxury traveller, the moneyed sportsman, more luxury accommodation is essential. And more than one observer belives, along with the Commission of Gevernment, that this is one job for private enterprise.

Others say that the government should set a standard of service by building model camps at strategic points around the Island. Those who favor this approach say that while certain tourist hostels may not be individually profitable, the indirect return to the country would warrant government subsidy.

In practice local Newfoundland business has shown no great enthusiasm for getting into the tourist business. Venture capital for tourist accommodation is said hard to find. Two years ago a couple of ex-RAF veterans were looking for backing for a cabin settlement on the West Coast (The Financial Post, June 1, 1946). Plans were cancelled when they found it impossible to raise the necessary funds either through government or private sources.

American Builds Fishing Camps

One of the biggest investments in the tourist business has been made by an American, Lee Wulff of Shushan, N.Y. Wulff has organized a number of fishing camps on the more remote rivers of Newfoundland. Accommodation is provided in cabins or large tents built on wooden floors and frames with built-in bunks. Lightweight, down-filled sleeping bags with flannel sheets are provided on the bunks. There is a guide for each angler and a cook is employed at camps where three or more fishermen stay.

In addition to these camps which are designed primarily for the more rugged sportsman, Wulff also operates Killdevil Lodge at Lomond, on the shores of Bonne Bay about sixty miles from Corner Brook. Killdevil and its cabin group is equipped for greater comfort and a few of the amenities. Bedrooms are large and airy and there is a games room for dancing and indoor sports.

Another enterpreneur in the tourist business is P. R. Doucette of Corner Brook. At Serpentine Lake and River, approximately eighteen miles west of Corner Brook Mr. Doucette operates a fishing camp. The main camp on the western end of the lake is furnished with comfortable beds and a cook is employed.

In addition to these privately owned camps there are five government-owned camps on the Upper Humber in the vicinity of Corner Brook.

While these private establishments are a step in the right direction they do not yet quite fill the bill, it is said. Before any significant number of luxury travellers can be attracted to the Island, something closer to real luxury accommodation must be provided. As one Newfoundlander has said: "The present-day sportsman is not interested in getting a pack on his back and walking miles to a cabin . . . paddling his canoe . . . cooking his own meals. He would rather drive to a nice hotel . . . take a warm bath . . . sit in a cosy lounge."

Improve Transportation?

Tourist experts think that some improvement could also be made in transportation. Since the Island has few roads, a regular local air service should be provided, they say. Air travel in the summer months in Newfoundland is an ideal mode of transportation either by amphibian or land plane. At present a charter service is supplied by the Newfoundland Aero Sales & Service Co. which uses a small lake outside St. John's as its base. With most plane travelers arriving either at Gander or Torbay airports, an efficient plane service for tourists would radiate from either one or both of these ports, it is claimed. Also since many of the tourist areas are located on the West Coast, Newfoundlanders say that a landing strip is a "must" for this area.

For the tourist who likes neither hunting or fishing it has been suggested that something in the nature of luxury boat travel might provide an added attraction. At present Newfoundland's railway operates an Island boat trip during which passengers have the opportunity of calling at several of the fishing coves along the coast. A "salon edition" of this might be highly successful, according to one Newfoundlander.

What all this adds up to, Newfoundlanders say, is that the country needs an over-all tourist plan. Whether or not the government provides financial assistance to implement it they feel that it should take the lead in its formulation. Also it should be the government's job to set and maintain standards of service and sanitation.

Politics have occupied the centre of the Newfoundland stage for the past year. But Newfoundlanders are expecting some action on tourist business once the country settles down.

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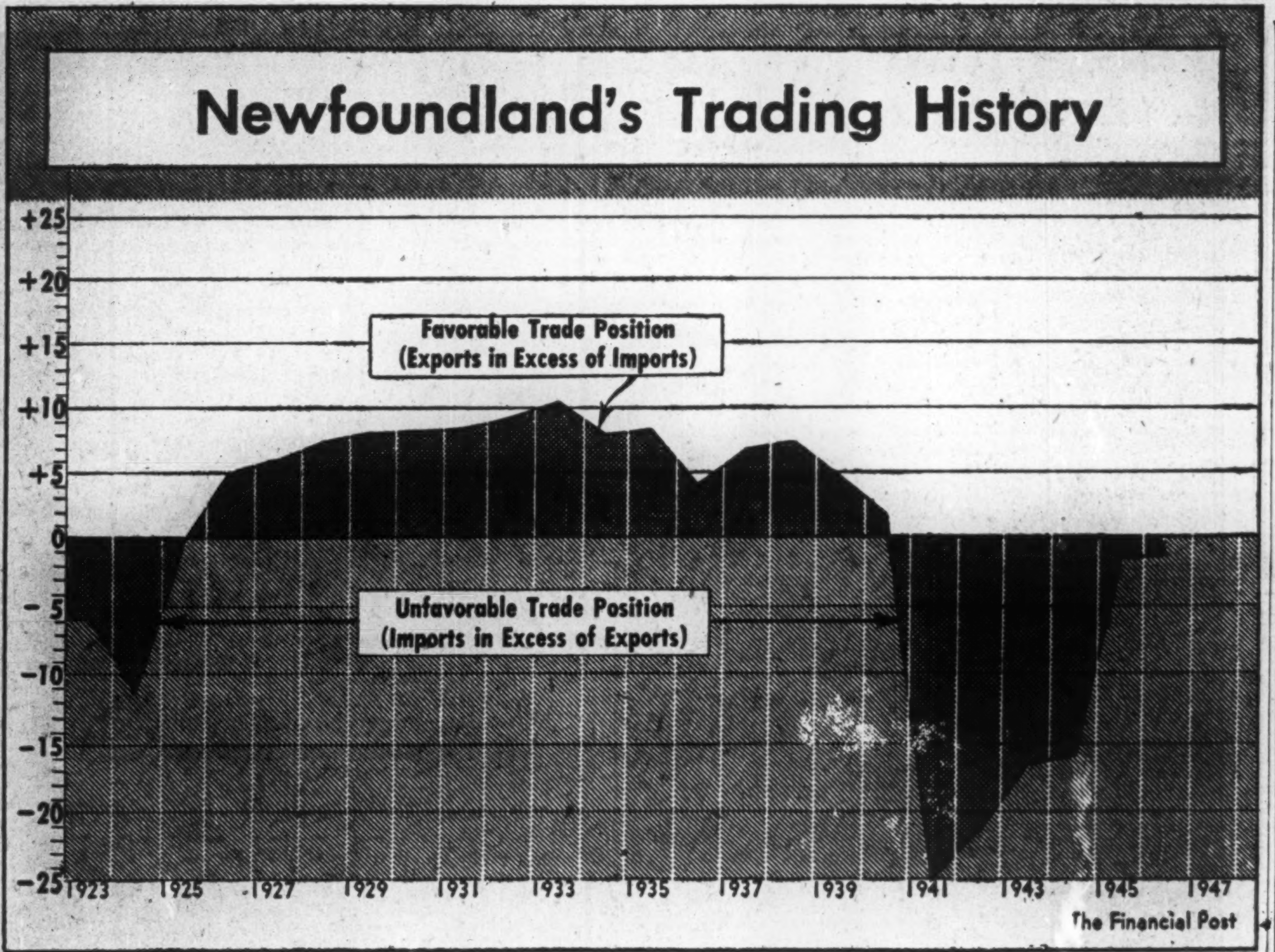

Newfoundland's Trading History

The Commission of Gov't Record

Newfoundland's Commission of Government, formed 14 years ago when the Island surrendered responsible government rather than default its debt, will pass out of the Island's life when formal decision is reached on the new form.

Here are some of the more important achievements of the Commission:

(a) Converted the funded debt to a 3% issue which was guaranteed by United Kingdom; this resulted in a $2 million reduction in expenditures.

(b) Organized and established the Newfoundland Fisheries Board in 1936.

(c) Introduced a score of financial incentives to increase farm production, encourage new land settlers.

(d) Instituted a program of forest inventory by aerial survey in Labrador. In Newfoundland itself all the important stands of timber are owned by two companies.

(e) Adopted a program of geological survey and investigation of known ore bodies.

(f) Effected economies by closing down costly branch lines of the Newfoundland Railway. At present it is permitting a modest program of modernization of rolling stock. Last year hired a United Kingdom and a Canadian railway expert to investigate railroad operations.

(g) Followed limited program of highway construction; by linking up existing roads, aim is to eventually create a transinsular highway.

(h) Along with private business, gave financial backing to Newfoundland Industrial Development Board, attempting to increase industrial production in the Island.

(i) Commission of Gevernment has carried through a sound program of assistance to the co-operative movement in Newfoundland. Co-operatives have been put on a businesslike basis and must operate under government regulations.

(j) Set up a National Training Centre for handicraft workers. Handicrafts could make an important contribution to Newfoundland's income.

COMPANY REPORTS

MADSEN RED LAKE GOLD MINES developed 189,101 tons of new ore in 1947 which were sufficient to replace tonnage milled and to increase reserves 45,710 tons. Bulk of new ore was disclosed in diamond drill holes drilled from new extensions to east drifts on 1,250-, 1,400- and 1,700-ft. levels. There still remains a number of sections containing ore values which have been indicated by diamond drilling in past two years, but which have not been fully explored to date, Manager E. G. Crayston states.

In last half of 1947 company concentrated operations on preparing the mine for handling increased tonnage facilities which are being increased by installation of additional 400-ton mill unit. Expenditures are expected to run about $1.1 millions, covering cost of replacements, additions and repairs to present mill and mill buildings.

Operating costs were reduced $1.18 per ton, of which 69 cents was due to reduced footage of development work and 49 cents attributed to increased efficiency and higher tonnage milled.

INCOME ACCOUNT

Years Ended Feb. 28-29:	1948	1947
Gold output	$1,134,743	$1,111,030
Silver output	5,623	5,798
Total output	1,140,366	1,116,828
Less: Mkt. chgs.	10,317	11,782
Net production	1,130,049	1,105,046
Less: Oper. exps.	739,111	823,363
Oper profit	390,938	281,683
Add: Int. earned	17,013	22,457
Less: Deprec.	113,902	90,530
Pre-prod. exp.	19,485	26,952
Out. explor. w/o	......	4,382
Prov. for taxes	46,780	26,000
Net profit	227,784	156,276
Less: Dividends	279,962	279,962
Deficit for year	52,178	123,686
Earnings per Share	$0.065	$0.045
Paid	0.08	0.08

CONDENSED BALANCE SHEET

As at Feb. 28-29:	1948	1947
Cash & bullion	$641,307	$249,060
Investments*	71,230	617,851
Accts. rec.	46,885	23,449
Mat. & supplies	382,361	293,705
Total curr. assets	1,141,783	1,184,065
Bd. dep. re power	12,805	12,805
Def. & prep. chgs.	146,453	113,010
Def. development	43,547	63,032
Mining props.	1,278,344	1,278,344
Plant & equip.▲	453,870	428,436
Total assets	3,076,802	3,079,692
Accts., etc., pay.	80,984	62,878
Income tax res.	16,107	5,551
Total curr. liab.	97,091	68,429
Capital stock	2,109,367	2,109,367
Earned surplus	870,344	901,896
▲After depr. of	755,318	641,417
*Market value	71,230	674,876
Working capital	1,044,692	1,115,636

OPERATING STATISTICS

	1948	1947
Tons milled	143,391	130,258
Average recov.	$7.95	$8.57
Ore reserves, tons	1,333,690	1,287,980
Grade ($35 gold)	$7.63	$7.56

DEXTER RED LAKE GOLD MINES remained inactive during 1947 as directors have decided to await extension of the Campbell workings to the west before any further expenditures are made on the property. Company has granted a year's extension to Dome Exploration Co. (Quebec) on option agreement on treasury shares. Current assets totaled $3,228 and liabilities were $20,605, including a $15,000 loan from Dome Mines.

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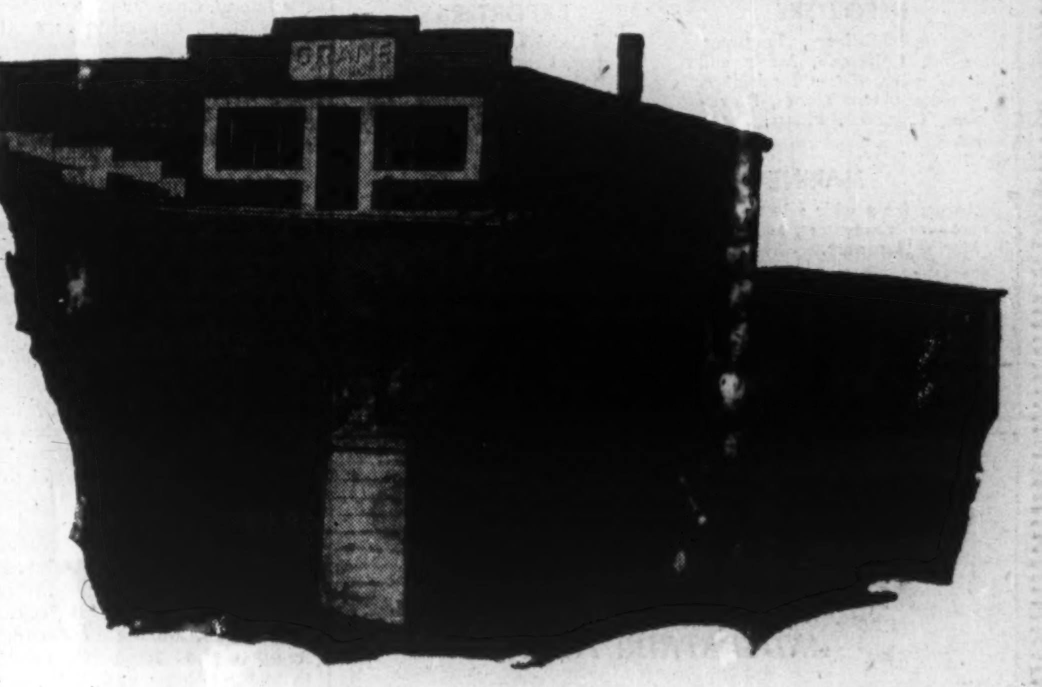

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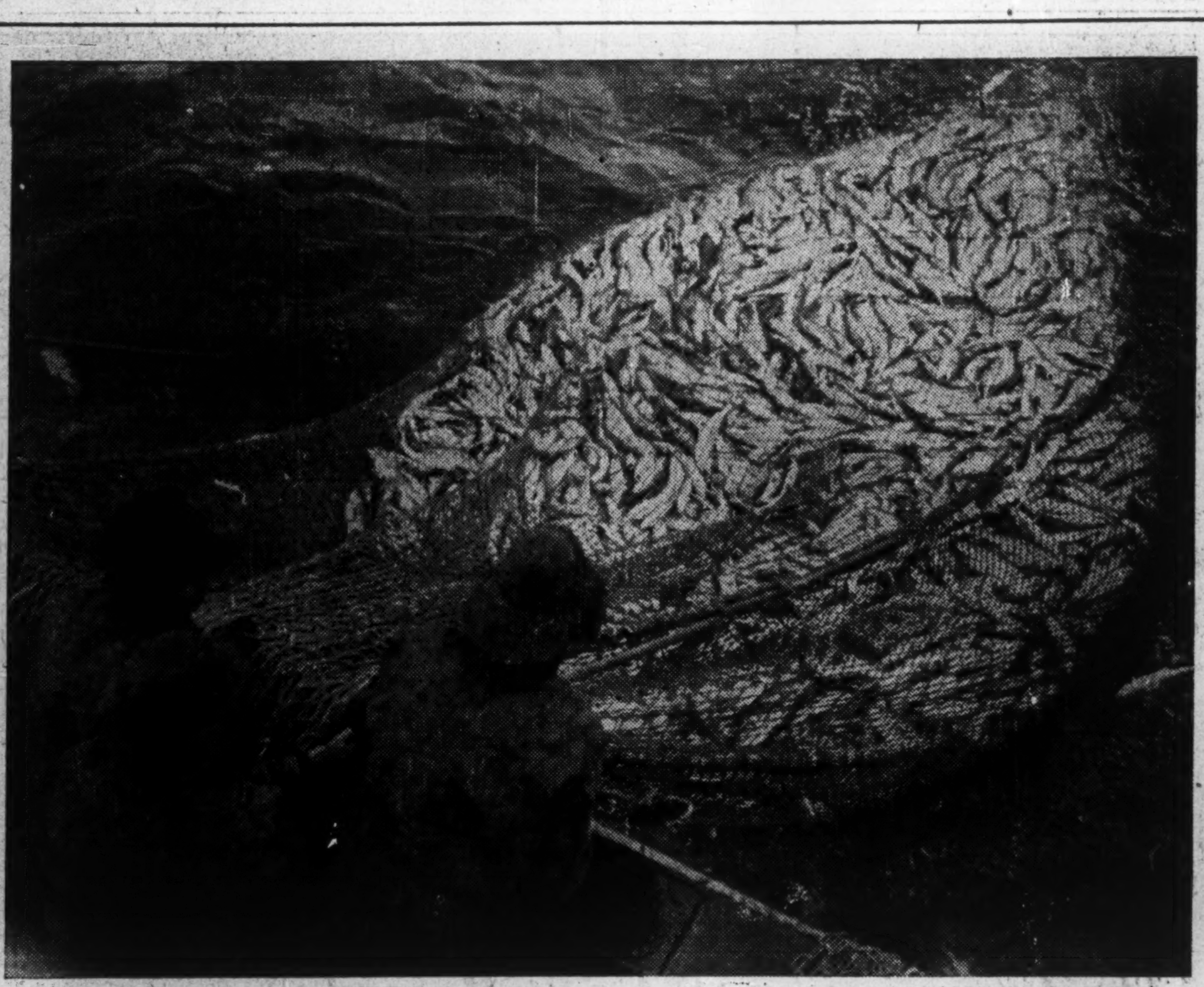

Original basis of Newfoundland's export trade, the fishing banks still remain one of the chief sources of revenue, and with newsprint and iron form the foundation of the Island's economy. Fisheries exports in 1946-47 totalled $29.9 millions; newsprint and paper products were second at $20.6 millions.

Island's Trade Continues at High Rate

Imports and Exports Each More Than Triple Pre-war

An outstanding feature of the Newfoundland economy today is its big volume of total trade, compared to prewar years. In the fiscal year 1946-47 total trade of $147.3 millions was 161% above that of 1938-39. Some of increase is due to higher prices, but a greater part is the result of increased production in Newfoundland and greater spending power in the hands of consumers, which has boosted imports.

Output and price of newsprint, an important Newfoundland export, are higher than prewar. In addition, mining of iron ore and zinc, copper and lead has been stimulated by shortages of these metals. Together the pulp and paper mining industries paid out more than $30 millions in wages. Additional buying is also being supplied by United States bases on the Island. Conservative estimates place U. S. expenditures on the Island at around $8 millions.

As a result of this heightened industrial activity, savings have shown a corresponding increase. In 1935, non-interest-bearing deposits in Newfoundland banks totaled $26.2 millions. By the end of last year this figure had jumped to $73 millions. At that, the 1947 savings figure was slightly lower than the previous year, and was the first check to the steady increase shown for a number of years.

A similar growth trend has occurred in the non-interest-bearing deposit category. In 1935, bank deposits of this type totaled $1.7 millions. Last year the figure was $20.6 millions, up about $1 million from the previous year.

Bank Loans Soar

Further evidence of increased business activity over the last few years is provided by the increase in the dollar value, of current bank loans. During 1946, current loans jumped from $4.7 millions to $9.5 millions; and during 1947 they swept up to $21 millions. These increases are partly due to higher prices and corresponding increase in the cost of financing commercial transactions; but also they represent a general increase in trade and construction activity.

All these factors have contributed to the tremendous increase in Newfoundland's total trade. The following table gives the statistical story:

	1946-47 ($ mil.)	1938-39 ($ mil.)	% Increase
Exports	69.3	31.3	121
Imports	74.8	24.4	209
Total trade	147.3	56.4	161

From this it will be noted that in 1938-39 exports exceeded imports by approximately $7 millions, while in 1946-47, imports exceeded exports by $5.5 millions. While the postwar figures indicate an adverse balance of trade, the deficit has been covered by other payments such as those made by United States in connection with its bases. In addition, tourists spend an unestimated amount every year.

Buy More From Canada

Canada has been the chief country to benefit by the increase in Newfoundland's imports. While Newfoundland has always ranked among Canada's best markets, there has been a marked increase in its importance during and since the war. In 1938-39, Canada supplied approximately 37% of the dollar value of all Newfoundland's imports. In the same year, United States supplied about 25% and United Kingdom approximately 20%. In 1946-47 the Canadian proportion had risen to 59%, that of United States to 33%, while imports from United Kingdom had dropped to about 6% of the total. Canada, United States and United Kingdom combined, therefore, accounted for about 98% of all Newfoundland's imports.

Since large areas of the Newfoundland terrain are unsuitable for agriculture, the country is forced to import most of its foodstuffs. In 1946-47 food and beverages accounted for 37% of the total dollar value of imports. Next most important item of import was clothing, which represented 12% of the total. Other categories included nonmetallic minerals, 12%; machinery and vehicles, 11%; inedible animal and feed products, 8%; metals and manufactures, 6%; woodpulp and pulp manufacturers, 5%, and chemicals, 4%. (In an accompanying table are listed the principal imports in 1946-47.)

Newfoundland's principal importers are St. John's wholesalers and merchants and some smaller firms in Grand Falls and Corner Brook. In some cases the wholesaler is also a retailer; but in such cases, where a wholesale firm handles an exclusive line of merchandise, it does not sell to competitive retailers.

Personal Contact Help

In selling to Newfoundland, many Canadian firms have found it good practice to have sales representatives call on prospective customers once or twice a year. With plane and boat-train service available, this is not difficult; and Newfoundland businessmen say that they like the personal contact with their suppliers. For style items such as clothing, household furnishings, etc., many of the larger Newfoundland firms send out their own purchasing agents.

While trading methods and practices in Newfoundland today follow the same general lines as Canadian and United States commerce, they are still strongly influenced by methods developed in connection with the fishing industry. For example, the outport merchant will buy fish from the fisherman and sell him food, clothing and other necessities. Some St. John's merchants also conduct this two-way type of transaction. Thus the big importers are sometimes big exporters.

Principal Imports Into Newfoundland 1946-47

	(millions)
Preserved meats	$5.4
Cotton, wool and outer clothing	4.9
Coal	3.6
Industrial machinery	3.2
Sugar and products	2.9
Flour and meal	2.7
Gasoline	2.5
Motor cars, trucks and buses	2.0
Milk and products	1.8
Edible oils and fats	1.6
Preserved fruits and juices	1.6
Tobacco and products	1.5
Fresh meats	1.4
Cotton fabrics	1.0
Leather footwear	1.0
Fuel oils	1.0
Fresh vegetables	1.0

Fisheries products comprise the largest part of Newfoundland's exports. In 1946-47, principal fisheries products exports totaled $29.9 millions. Close behind in dollar volume was newsprint and paper products at $20.6 millions; and it is likely that this figure will show a considerable increase for 1947-48. Exports of mineral and food products in 1946-47 were $13.5 millions. Other export categories included: wood products, $2.7 millions; furs, hides and skins $929,634.

Three Best Customers

As with imports, Newfoundland's three best export customers are United States, United Kingdom and Canada in that order. In 1946-47 United States took $23.9 millions out of the total of $69.3 millions. This comprised largely newsprint and copper and lead concentrates. Exports to United Kingdom were $11.4 millions and included iron ore, newsprint, wood pulp and five concentrates.

Most of Newfoundland's dried codfish exports, however, are sold to West Indies, the Mediterranean countries, Brazil, and other European countries. Dried squid is exported to China, where it is considered a delicacy. Shipments of fresh lobster from Newfoundland to Canada and United States have been steadily increasing, and in 1947 totaled 3,146,000 pounds. Recently these shipments have been handled by airfreight which has greatly increased their marketability and has enabled Newfoundland exporters to reach the market when demand and prices are highest.

Canada's Commercial Secretary to Newfoundland for the past five years has been J. C. Britton, who left the country in May of this year and is making a tour

(Continued on page 31)

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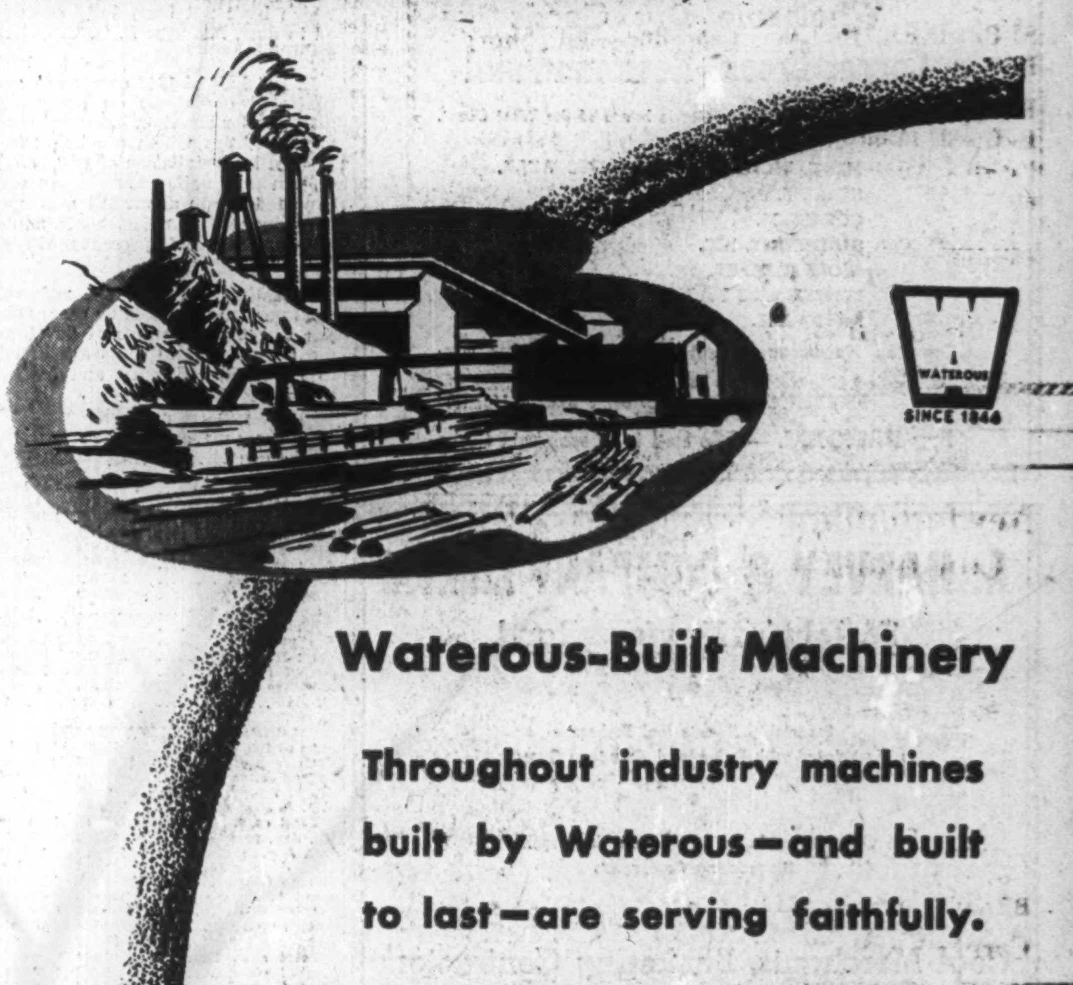

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Here's Newfoundland's Financial Picture

Increased Productivity Key To Island's General Success

For about two years now Newfoundlanders have had an opportunity to listen to just about everything that can be said regarding the country's financial condition. Politicians, would-be politicians, experts and some not so expert have all expounded on the state of Newfoundland's finances—past, present and future. On the basis of words spoken, voters should be well-informed on the state of finances.

In fact, though, the man on Newfoundland's street is more confused than he has ever been. An'. when he casts his vote on July 22 next, it is likely that his decision will be based on personal inclination rather than on budget figures.

Many Newfoundlanders, and others in a position to take an objective point of view, say that in general the subject of finances has provided far too much thunder in the political storm over the Island in recent months.

These persons agree with the statement made by R. A. MacKay in his volume "Newfoundland" that: "The basic difficulty of public finance is the low productivity of Newfoundland's economy in comparison with that of other Anglo-Saxon countries, and hence its low taxable capacity." In other words the financial condition of the country is the result and not the cause of any strength or weakness which the Newfoundland economy may possess.

It is evident that neither Confederation with Canada nor Responsible Government can pull any rabbits out of Newfoundland's hat. Many Newfoundlanders realize that the decision which faces them is: which form of government is likely to increase the productive capacity of each individual? Unless production is increased, the question of finances largely resolves itself into whether Newfoundlanders want to handle the available tax money themselves or wish to let the Federal (Canadian) Government do part of the job. Actually under Confederation Ottawa and the provincial government of Newfoundland would spend more money but all of it would not come from Newfoundland.

From 1920 to 1940 Newfoundland had an average annual deficit of $2 millions on ordinary account. Under the Commission of Government, the yearly deficits were met by the United Kingdom from 1933-34 to 1939-40 with the exception of $1,5 millions which was raised by an internal loan. From 1940-41 until 1946-47 Newfoundland reversed this long trend and was able to show budget surpluses. This turn in the financial tide has resulted in the country now having an accumulated surplus of $28.2 millions.

Newfoundlanders know, however, that the accumulation of the surplus does not mean that any fundamental change has occurred in the Island's economy. They know it because of two facts: (a) Newfoundland was carried by the United Kingdom taxpayer for six years with respect to deficits and (b) wartime surpluses were large; the result of huge United States and Canadian Defense expenditures on the Island.

How about the present? Is Newfoundland firmly standing on its own financial feet? By dipping into its surplus kitty it is. This year Finance Commissioner Hon. R. L. M. James announced a budget deficit of $463,000. Last year there was a very nominal surplus. It is true that there was a $10.3 millions surplus on ordinary account in 1947-48 but reconstruction expenditures of $10.7 millions resulted in an over-all deficit.

Spend on Reconstruction

Presumably reconstruction expenditures will be of a temporary nature. Two years ago the Commission of Government embarked on a three-year program of reconstruction which covered veteran re-establishment, social services, government services and economic development. It is pointed out, however, that if necessary medical, hospital, educational and other services are to be provided, the so-called reconstruction expenditures will have to be continued for a considerably longer period.

In addition to the services which reconstruction expenditures are providing, they have also pumped about $20 millions into the national economy in the past two years. Another $9 millions is budgeted for reconstruction in 1948-49. These government expenditures totaling approximately $30 millions over the three-year period, are an important contribution to the national income. And without them it is questionable whether government revenues could have been maintained at present high levels.

From this it is recognized as a fair assumption that reconstruction expenditures cannot be cut back far without serious dislocation to services and income. Thus it cannot be said that the 1947-48 deficit is the result of extraordinary short-term government expenditures which can be stopped at the end of the three-year period.

In his budget address, Finance Commissioner James explained Newfoundland's financial situation this way:

> "The ideal course . . . would be to budget for a large surplus in 1948-49 with a view to restoring our dollar balances to a healthier level. But we must face the prospect of a fall in revenue, and a surplus can therefore be achieved only by reduction of expenditure. In present circumstances, the extent to which this process can be carried without serious dislocation is limited. . . ., substantial savings can be found only by suspending or greatly slowing down operatons on building and road construction projects now in progress. For the rest, savings of any magnitude could be obtained only by scrapping entire services. As it is hoped that many of the reconstruction schemes may be completed this year, a margin should be available for reducing capital expenditure next year.

Surplus Would Bring Confidence

With a budget deficit in 1947-48 the question is raised: has Newfoundland again returned to its prewar record of yearly deficits? Many Newfoundlanders think not. They say that Newfoundland is now in a position to pay her own way. In 1948-49 Finance Commissioner James is budgeting for a surplus of $827,500. If this becomes a reality it will give many Newfoundlanders added confidence in the country's financial position.

Even if the surplus should become a deficit through a fall in revenues or greatly increased expenditures, the country would still draw on its cash surplus. Last year, however, the cash dollar portion of the accumulated surplus was reduced by 5.6 millions. This was the result of the special arrangements by which sales of dried codfish to European markets were financed by the government.

Since sterling became inconvertible following United Kingdom action last August, the Newfoundland Government was forced to pay fish exporters in dollars out of the cash surplus. The equivalent in sterling is being held in a special account in the Crown Agents for the Colonies to be applied to the redemption of the 3% guaranteed sterling stock. Net effect of this was to leave Newfoundland a dollar surplus of only $10.7 millions on which it is free to draw. The balance of $17.5 millions is in sterling in London. It is possible that a similar method of financing fish sales may be resorted to again this year; resulting in a further reduction of Newfoundland's bank account.

Actually the Commission of Government had earmarked the accumulated surplus largely for reconstruction. As things stand now, however a total of $8.8 millions is in London for debt retirement. Another $7.3 millions remains on interest-free loan to United Kingdom and it is conceivable that this amount may also eventually be applied to the sterling debt in view of the current dollar problem facing United Kingdom. It is evident therefore, that there is a strong possibility that a large percentage of the accumulated surplus will eventually be used for reduction of the sterling public debt.

Reduction of the public debt will of course make future budget balancing easier. A tremendous improvement in Newfoundland's debt position has already taken place since the grim year of 1933-34. Then the total debt was just over $101 millions and interest charges alone were running more than $5 millions annually. As at Mar. 31, 1948, the total public debt less sinking funds was down to $73.2 millions and interest charges in 1947-47 totalled $2.4 millions. Interest plus sinking fund payments for the year amounted to $3.6 millions.

Summary of the Picture

At this point it might be well to itemize the above factors which enter the Newfoundland financial picture. They are:

1. Newfoundland had a deficit of $463,000 in 1947-48 due entirely to reconstruction expenditures

2. Reconstruction expenditures cannot be cut back greatly without a serious dislocation in services and income

3. Newfoundland has a total accumulated surplus of $28.1 millions originally intended for reconstruction.

4. Of the total surplus, only $10.8 millions is in available cash dollars. Of the balance $8.8 millions is held in sterling to be applied to the funded debt; $7.3 millions on interest-free loan to United Kingdom; and $1 million held in sterling current account.

5. The cash dollar surplus may have to be drawn on again this year to finance sales of codfish to Europe.

6. Total public debt less sinking funds of $8.2 millions stands at $73.2 millions. As in (4) above a total of $8.8 millions is held in sterling to be applied to the debt which would reduce it to $64.4 millions. (In addition there is an obligation of $1.3 millions owing by the Newfoundland Railway to the United States Defense Supplies Corp. and $1.5 millions of savings certificates outstanding.)

7. Newfoundland is budgeting for a surplus of $872.500 in 1948-49.

What does this add up to? Most obvious conclusion is that the funded debt has now reached manageable proportions. A second important result is that Newfoundland is virtually compelled to arrive at a balanced budget as long as sterling is inconvertible since its dollar surplus may be required to finance further exports of fish. As long as this situation exists it would be taking an unreal view of the situation to suppose that a great part of the surplus could be used for reconstruction.

Customs Revenues Keep Up?

For this reason Finance Commissioner James' budgeted surplus for 1948-49 takes on an added significance. Can it be done? The answer, of course, lies in whether revenues meet budget estimates; more particularly whether customs revenues remain at present high levels. Last year 57% of total government revenues came from customs duties; another 27% from income, corporation, and succession taxes.

As far as the revenues from direct taxation are concerned, it is likely that they will meet or exceed the estimate of $10.4 millions. As long as the pulp and paper, and mining industries maintain present high levels of production and government continues its capital expenditures, income and corporation tax payments should show little or no decrease.

Revenues from customs duties are not so certain. Commissioner James commenting on these said: "In existing circumstances the revenue is liable to be affected by a number of disturbing factors and the yield of Customs, in particular, is difficult to estimate with precision." The present political turmoil in the Island has already had an adverse effect on customs returns. During the three months ended March 31, 1948 customs returns were about $300,000 below estimates made last December.

With the uncertainty prevailing in Newfoundland due to the forthcoming referendum business activity has slowed up appreciably. Businessmen are hesitant about forward buying until they know what form of government will be in power. This has directly affected imports and resulted in a corresponding drop in customs revenues.

Another factor which will affect the customs returns is the success of the fisheries. The production and marketing of the codfish catch is a most important item to the national income, and has therefore a vital influence on import duties.

In Newfoundland the bulk of living necessities are imported. This includes foodstuffs, clothing, building materials, etc. This means in effect that the government is dependent for a big part of its income on how well the people eat and dress. And since 40% of the population depend on the fisheries for their livelihood, the government in turn depends on the operations of this one industry for a large part of its revenues.

Nfld to Canada Calls Increasing

Is it politics or is it love? Whatever it is, Newfoundlanders and Canadians can't wait to write, and are picking up the phone instead. In the first five months of 1948 there was an average of 566 telephone calls a month between Canada and Newfoundland, compared with last year's average of 494.

From Jan. 1 to May 31 this year a total of 2,381 calls were connected—1,351 originating in Canada and 1,480 in Newfoundland. Last year there was a total of 6,369 calls. Newfoundlanders wanted Canada 3,374 times while less-impulsive Canadians called the Old Colony only 2,995 times.

The Island's Trade Picture

(Continued from page 30)

of the Dominion. He has been succeeded by R. Campbell Smith, a native of Vancouver and a Royal Canadian Navy veteran. Mr. Smith joined the Canadian Trade Commissioner Service in 1945 as assistant trade commissioner and had been in Cairo since 1946.

Future Uncertain

Newfoundland was dependent on United States and Canada for most of its needs during the war and postwar years. Few, if any, shortages developed and, in fact, most commodities were in better supply in Newfoundland than in the exporting countries, Mr. Britton states.

What, if any changes will occur in Newfoundland trade as a result of the July referendum, no one is prepared to say. One group is pressing for economic union with United States, and might open negotiations with Washington, should responsible government win out over confederation with Canada.

Apart from economic union, it is conceivable that under responsible government, exchange difficulties, encountered by codfish exporters last year in sales to European countries, might result in a greater proportion of Newfoundland imports coming from United Kingdom. If Newfoundland cannot get paid in dollars for its fish exports, its ability to purchase in the hard currency countries will be seriously curtailed, unless some temporary arrangement can be worked out. It is quite possible, however, that some ERP dollars will be made available for the purchase of Newfoundland fish.

Under confederation, it would appear that Newfoundland purchases from the rest of Canada would be stimulated by the dropping of the import duties. Sales of Newfoundland products in Canada are not likely to be greatly affected, it is believed. Newsprint and fish are both items of which Canada itself has an exportable surplus. And Canada is already receiving iron ore from Wabana.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

PATON MANUFACTURING CO net profits jumped 85.1% to $172,022 in year ended April 30, 1948, when production was maintained at approximate level of the previous year.

Physical volume of inventories has been reduced as far as is practical, having regard to still uncertain supply condition and necessity of maintaining sufficient stocks of raw material to ensure uninterrupted operations, President F. R. Daniels states. Despite reduction in weight, the value of inventories has been increased by $206,402 due to heavy increases in value of raw wool and tops over the level prevailing a year ago. Increase in inventory value, plus expenditures on capital account, explains virtual elimination of investment account.

A new record was established in Canadian production in 1947, as well as importations of woolen and worsted fabrics. Certain sections of the trade are already experiencing an oversupply position and there are grounds for fear that this condition may become general, Mr. Daniels adds.

Current commitments on capital expenditures amount to approximately $307,000. Delivery promises indicate that program will be completed well before end of present fiscal year.

INCOME ACCOUNT

Years Ended Apr. 30:	1948	1947
Net earnings	$532,289	[illegible]
Less: Depreciation	216,017	[illegible]
Bond interest	26,250	27,965
Income tax	118,000	48,000
Net profit	172,022	97,923
Less: Pref. divds.	42,000	42,000
Common divds.	40,000	40,000
Surplus for year	90,022	[illegible]
Earnings per Share and Dividend Record:		
Pref.: Earned	$5.73	[illegible]
Paid	1.40	1.40
Common: Earned	2.60	1.02
Paid	0.80	0.80

CONDENSED BALANCE SHEET

As at Apr. 30:	1948	1947
Cash	$274,320	$315,011
Invests‡	1,037	408,411
Accts. rec.	285,138	200,433
Wool advances	131,718	3,460
Inventories	1,103,950	897,548
Total curr. assets	1,796,673	1,824,863
Misc. assets▲	102,279	91,187
Inv. in subsid.	31,164	30,000
Fixed assets*	1,026,370	[illegible]
Total assets	[illegible]	[illegible]
Total curr. liabs.	[illegible]	[illegible]
Funded debt	[illegible]	[illegible]
Capital stock	1,050,000	1,050,000
Earned surplus	[illegible]	[illegible]
‡Mkt. value	[illegible]	[illegible]
*After depr. of	[illegible]	[illegible]
▲Incl. ref. EPT	[illegible]	[illegible]
Working capital	[illegible]	[illegible]

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ST. JOHN'S, NEWFOUNDLAND
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ST. JOHN'S, NEWFOUNDLAND

Developing Newfoundland's Farms

Here's Gov't Plan to Aid In Production

Agriculture in Newfoundland has not yet reached the proportions of an important industry. Most farms are of the "subsistence type" consisting of a small area, cultivated by a family to supplement its income. There are approximately 4,000 part-time farmers in Newfoundland, and only 1,400 who operate on a commercial scale.

Newfoundland's climate and soil are not particularly suited to agriculture. Winters are long and the summer weather is uncertain. Much of the land is rough, rocky and hilly and in many areas the fertility is low. One of the best crops grown is grass for pasturing livestock; and it is stated that animals turned out on wild pasture during the summer, make excellent gains.

Farm holdings in Newfoundland total 134,953 acres, of which 71,719 acres are improved land; 14,561 acres pastures; 48,675 acres of wood lots. While this acreage is small judged by Canadian standards, the agriculture produce grown in Newfoundland represents a most important addition to food supplies. In the case of the 4,000 part-time farmers, it is probable that many would experience real hardship and want, but for the home-grown produce.

Dollar value of agricultural production in Newfoundland adds up to a not insignificant amount. In 1946 the total production was $12.5 millions, made up as follows:

		$
Grain (bus)	4,500	6,351
Hay (tons)	58,000	2,531,808
Potatoes (bus)	1,472,300	2,061,251
Turnips (bus)	252,000	352,638
Cabbage (lb)	6,979,000	279,183
Beets (bus)	10,000	29,619
Carrots (bus)	211,000	62,724
Fruits (lbs)	162,000	30,572
Milk (gals)	3,792,000	3,223,000
Butter (lbs)	466,700	256,683
Eggs (doz)	1,576,750	1,497,914
Wool (lbs)	181,800	90,938
Poultry (lbs)	460,000	230,000
Beef, veal (lb)	2,800,000	840,000
Pork (lb)	2,000,000	600,000
Lamb & Mutton (lb)	1,410,000	423,000
		12,515,681

One reason for the comparative failure of commercial farming to make any great headway in Newfoundland has been that farms are too small. Some farmers with as little as two or three acres. expect to make practically all their living by farming. The volume of output from this small acreage is, of course, not nearly enough to provide a sufficient return to the farmer unless he is able to get extremely high prices for his produce.

Some farmers would like to increase their holdings but lack of sufficient capital; and farm loans are hard to come by in Newfoundland, it is stated. And an important cause of the difficulty in raising farm loans is the general lack of farming skill and knowledge. Technical knowledge is a virtual necessity if commercial agriculture is ever to make a greater contribution to the Newfoundland economy.

Government Aid

Many Newfoundland governments have tried to advance farming on the Island and the Commission of Government has organized a Division of Agriculture in the Department of Natural Resources. This Division has worked out and put into effect projects designed to improve farming conditions. Some of these now in operation or in the planning stage are:

Marketing warehouse assistance scheme, under which a maximum of $7,000 is paid to any agricultural society.

Bare building assistance for dairymen provides a maximum contribution from the Government of $400 to any dairy farmer.

A maximum of $100 annually is available to each agricultural society as a straight annual grant.

Assistance to rural youth clubs provides for free seeds, free sires and cash prizes for club shows.

Grants to agricultural exhibitions allow contributions up to $500 towards a prize list.

Under the agricultural college training program for farm youths, all expenses are paid for two years at an agricultural college.

On full year of training at the government demonstration farm is also available for farm youths.

Under the sire-purchase assistance scheme, the Government pays the cost of transportation and half the cost of all sires except stallions.

A bonus of $5 is paid for each foal produced by a registered stallion.

The Government also pays two thirds of the value as compensation for diseased cattle destroyed under government supervision.

As a stimulus to land clearing, the Government pays $25 for each acre cleared. And for land clearing with a government tractor, the farmer pays $5 for each acre cleared.

To assist ex-servicemen to establish themselves on farms, the Government pays virtually the total cost of establishment in the land settlement area. This costs approximately $6,000 for each settler. If the man wishes to settle outside the land settlement area, he is given 10 acres of cleared land and $724 cash.

Under the agricultural limestone subsidy, farmers are able to purchase limestone for $1.50 a ton.

Whether these and future programs to promote farming in Newfoundland will be successful in putting the industry on a sounder basis, remains to be seen. For the present, it appears that the limited objectives now followed by the Government are undoubtedly the soundest approach to the farm problem. In the final analysis, it is the farmer himself who must improve his method of operation, if agriculture is ever to become commercially successful in Newfoundland.

Development Board Boosts Newfoundland's Industries

For several years Newfoundlanders have realized that greater manufacturing production is one of the country's greatest needs. Outside of the two large pulp and paper companies manufacturing on the Island is confined to comparatively small local operations, which supply the domestic market.

Five years ago this month Newfoundland businessmen and the Commission of Government organized and gave financial backing to the Newfoundland Industrial Development Board, an organization designed to stimulate industrial growth by the investigation and research of potential manufacturing enterprises. Under the direction of H. J. Russell, Jr. the Board has spent $75,000.

Some of this expenditure has resulted in new industry and just as important, it has prevented uneconomic enterprises from starting. Thus the return to Newfoundland has been many times the money expended. Part of the story is supplied by the financial results of only 10 of the firms started or assisted by the Board. Of these 10, total capital invested is $1,071,500. They have paid wages, up to June of last year, totaling $900,340 and the value of goods or services produced was approximately $1.5 millions. With this record of achievement behind it, the Board has been given the go-ahead for another five-year period.

A good part of the Development Board's work has been devoted to hunting out Newfoundland's resources and determining their economic usefulness by investigation and research. It is said that the excellent work being done by the Board would be aided if it had more technical facilities at its disposal. A list of the projects which it has sponsored already reveals the broad extent of its work so far. Hene are some of them:

Waterpower — recommended surveys and examined the question of waterpower rights.

Coal—initiated new surveys of the Island's coal area.

Handicrafts—investigated handicrafts in Canada and United States and, on the basis of the Board's recommendations, a national Training Centre for handicraft workers has been established.

Paper products — instrumental in establishing a paper bag factory at Harbour Grace.

Oxygen and Acetylene—played an important part in the decision of Canadian Liquid Air Co. to purchase a Canadian government plant. This company is adding to its facilities by construction of an acetylene plant.

Gasoline engines—helped to establish a marine engine plant. Several hundred engines have been supplied to fishermen thus increasing productivity.

Shipbuilding—assisted in sale of the government-owned shipyard to the Newfoundland Shipyards Ltd. The Board obtained the first contract for the new company—a 55-ft. yacht for an American sportsman.

Wood products—three firms assisted by the Board in the installation of kilns, one of which has already produced kiln-dried wood to the value of $200,000. An up-to-date barrel manufacturing plant has been established through the Boards co-operation.

Besides these projects, which were successfully completed, the Newfoundland Industrial Development Board has investigated many other industrial possibilities. It has, for example, corresponded with U. S. firms on the question of oil exploration. Wallboard made from sawdust and waste wood is another item which could conceivably grow into an important industry in Newfoundland.

Since the work of the Development Board is essential to Newfoundland's industrial growth, it is likely that its work will be unaffected by the results of the July referendum. Whether as a province or as a self-governing country, Newfoundland needs more manufacturing industries.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

SYLVANITE GOLD MINES expects to earn only about 6c a share in 1948 against 7.9c in 1947 after "careful studies," President and Managing Director Welles V. Moot states in the 1947 annual report. The cost-of-living bonus granted in December, 1947, has about equalled the amount expected to be received from Government assistance legislation.

Improved results at Delnite Mines (in which approximately two thirds of outstanding shares are held) is noted.

During the year, promising ore occurrences found east of No. 5 shaft on lower levels were developed on four levels from 4,300 to 4,800 ft. depth and a substantial ore body of better than average grade is stated to be indicated. A total of 3,696 ft. of ore was opened during the year. Plans call for a stepup in daily mill tonnage from the 1947 average of 414 tons daily to 475 tons daily early this year with this tonnage to be maintained for the balance of the year.

An option held on Craibbe Fletcher Gold Mines shares was dropped when deeper drilling proved disappointing. Seven outside groups were held by option or otherwise at the end of the year.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Bullion prod.	$1,450,334	$1,693,581
Less: Oper. exps.	1,193,940	1,123,326
Net oper. earns.	256,394	570,255
Add: Int., etc.	13,026	15,687
Prof. on invest. sale	31,313	......
Total net earn.	300,733	585,942
Less: Deprec.	20,528	43,672
Taxes res.	19,811	152,933
Net profit	260,394	389,337
Less: Divds., etc.	263,960	395,940
Deficit for year	3,566	6,603
Earned per Share	$0.079	$0.118
Paid	0.08	0.12

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & bullion	$848,905	$427,136
Accts., etc., rec.	13,520	......
Bonds & debents.	128,656	700,450
Mat. & stores	164,262	180,892
Total curr. assets	1,155,343	1,308,478
Prep. & def. chgs.†	12,018	36,938
Def. expend.	110,737	......
Shs. & adv., sub.	1,869,266	1,859,267
Claims & props.	1,401,146	1,530,014
Plant & equip.•	47,585	38,260
Total assets	4,596,095	4,772,957
Accts., etc., pay.	174,386	207,489
Taxes reserve	5,350	95,000
Total curr. liab.	179,736	302,489
Conting. reserve	710,000	710,000
Capital stock	2,383,000	2,383,000
Surplus	1,323,359	1,377,468
•After depr. of	1,192,892	1,187,989
†Included as current asset in co's. report in 1947.		
Working capital	975,607	1,005,989

OPERATING STATISTICS

	1947	1946
Tons milled	151,140	154,562
Average recov.	$9.60	$10.96
Broken ore reserves, tons	58,412	61,332

YUKON CONSOLIDATED GOLD CORP. gross production returns dropped only 2.6% to $1,329,155 in 1947, but increased operating costs and general expenses and a $71,579 write-off for exploration, accounted for final net loss of $223,628. Net profit was $69,699 in 1946.

Effects of dislocation caused by the war (apart from increased costs) such as lack of stripped and thawed ground ahead of dredges Nos. 4, 6 and 9, continue to project themselves into operations, President G. Goldthorp Hay, states. Costs of operation absorb a growing proportion of the value of production, while price of gold remains fixed.

Company expects to bring No. 6 dredge into production this year, bringing operating dredges to seven of the eight owned. Production is expected to increase from No. 4 dredge on Bonanza Creek, as dredge dug through non-productive tailings for greater part of 1947. No. 9 dredge is not expected to resume work until 1949, due to lack of stripped and thawed ground in Upper Sulphur area.

Proved gravel reserves at Dec. 31, 1947, totaled 118,655,887 cu. yds. containing $42,894,438, excluding ground on Bonanza Creek estimated at 32,680,005 cu. yds.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Production	$1,329,155	$1,364,664
Other income	32,141	28,515
Less: Oper. exp.	1,221,001	1,020,935
Oper. profit	140,295	372,244
Add: Invest. in...	10,817	15,740
Less: Gen. exp.	56,266	52,484
Net earnings	94,846	335,500
Less: Deprec.	246,895	265,801
Expl. w/o	71,579	......
Net profit & surplus	•223,628	69,699
•Net loss and deficit.		
Earned per share	d$0.038	$0.012
None paid.		

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$54,028	$899,022
Dom. bonds	327,096	327,096
Accts. rec.♦	102,272	111,687
Inventories	656,354	618,700
Total curr. assets	1,139,750	1,956,505
Dev. exp.	1,714,774	1,359,307
Misc. assets	39,207	41,063
Properties	2,202,640	2,202,640
Equipment*	1,971,126	2,089,128
Total assets	7,067,497	7,648,643
Total curr. liabs.	2,466	2,993
Invent. res.	22,731	22,731
Other res.	46,791	46,815
Capital stock	5,949,874	5,949,850
Earned surplus♦	1,045,635	1,626,254
*After depr. of	4,853,664	4,613,607
♦Incl. ref. EPT	......	26,072
Working capital	1,137,284	1,953,512

DISCOVERY YELLOWKNIFE MINES has received consent of Toronto Stock Exchange and Ontario Securities Commission to release of 1,472 shares from escrow, leaving 802,313 shares still in pool. Release date is June 28.

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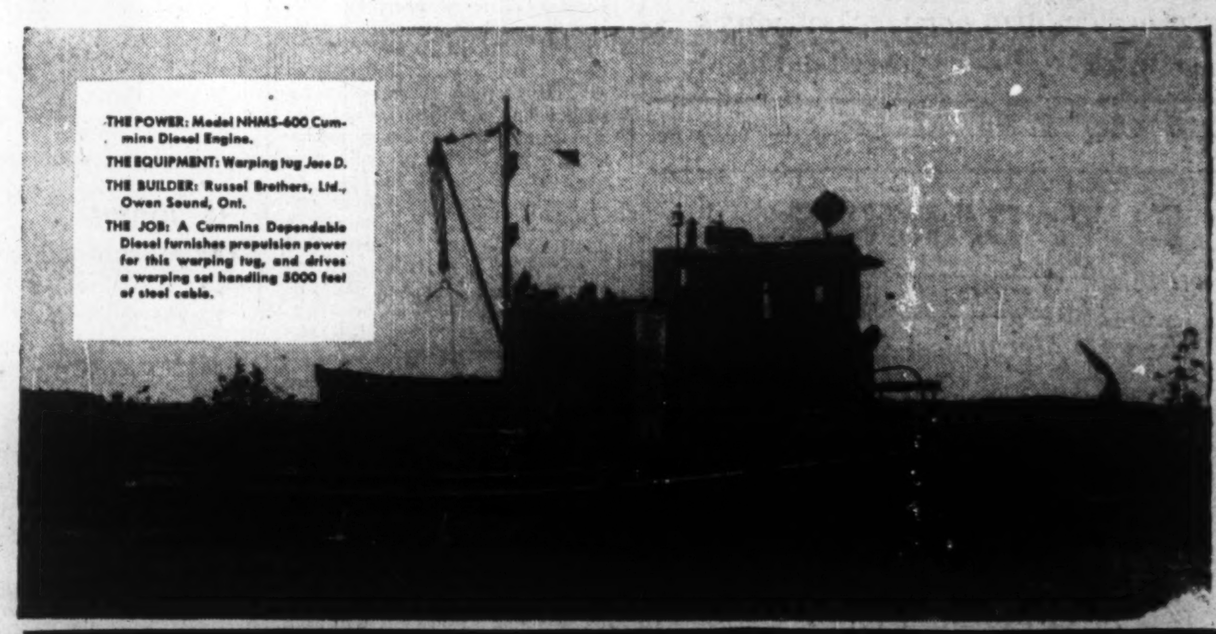

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Diversified Products, Bigger Markets Sought to Improve Fishing Industry

(Continued from page 27)

putting up a better product, dressing it up in smarter packages.

Sales of lobsters have also shown a big improvement under the diversification program. Last year the export of live lobsters reached an all-time high totaling 3.2 million pounds. Ten years ago sales of live lobsters seldom reached the million-pound mark. Lobster supplies have increased and improved as a result of the Fisheries Board educational program on the permanent harm done to lobster population by illegal fishing. Along with this, the Board also introduced a number of regulations designed to conserve the lobster supply.

Probably the most important aspect of the diversification program has been the rapid growth in the sales of frozen and chilled codfish. In 1940, exports of frozen and chilled cod fillets and round cod totaled only 10 million pounds. By 1945, this was up to 35.2 million pounds. A good part of this increase was due to the extraordinary wartime demand in United Kingdom markets. Last year U. K. contracts were not renewed and prices in United States fell off somewhat which resulted in exports dropping to 12.2 million pounds. Newfoundland now has, however, the production facilities to turn out a high quality, readily merchandisable frozen fish product.

Vast 12-Year Improvement

On the basis of the industry today compared to that of 12 years ago Newfoundlanders are quick to admit that the Fisheries Board policies have worked a vast improvement. From the standpoint of the average Newfoundland fisherman, however, it appears that a still greater metamorphosis must take place. Few will deny that the Newfoundland "inshore" fisherman is an excellent example of individual enterprise. To many Newfoundlanders, however, it is evident that this method of fishing is rapidly becoming obsolete in this day of mass production and mass marketing.

An inshore fisherman's income is dependent on two uncertain factors: (a) weather, and (b) the codfish run. Over neither of these has he any control. A paragraph from the Fisheries Board report for 1947 explains what the weather can do to the catch:

"On the other hand, the Labrador fishery, from the standpoint of both floaters and stationers, was again extremely poor. The over-all catch undoubtedly would have been much greater but for the poor fall fishery, resulting from very stormy weather during the latter half of October and throughout November. Such unfavorable weather also resulted in widespread destruction of fishing property."

While the total Newfoundland catch last year was a whopping 1,150,000 quintals (record is 1,266,000) those fishermen who went to the Labrador waters were hard hit by the poor catch; and for many it meant a heavy blow to the family income.

Most of the dried cod produced in Newfoundland comes from the "inshore fisheries." This branch is composed of all the individual fishermen living in the coastal villages and who operate from the shore. Labrador fisheries can in general be classed with the inshore since much the same technique is used. A dory or motor boat is the operating unit used by the inshore fisherman.

It is this type of individual operation which places the fisherman at the mercy of the weather and ocean conditions. If it is stormy he cannot venture out and if, due to oceanic conditions, the fish do not strike near the shore he cannot track them down farther out to sea.

"Bankers" More Important

Over the past several years, however, there has developed a trend in fishing methods which many Newfoundlanders believe points the way to the future in the industry. This trend is evidenced by the greater use of larger vessels or "bankers" which can stay on the fishing grounds for days or weeks. This branch of the industry goes under the name "deep sea" or "bank" fishery. Since a large capital outlay is necessary for this type of vessel most are owned by merchants, companies and sometimes are operated on a co-operative basis.

There are a number of advantages to the deep-sea operation. As a general rule the catch per man is two to three times greater than in the inshore fishing. This follows from the fact that the larger vessel overcomes many of the weather hazards and can go to the fish rather than wait for them to come within striking distance.

Also since the bankers operate out of relatively few ports the bank fishery tends to concentrate the industry. In both Norway and Iceland, two of Newfoundland's principal competitors, the fishing industry is more highly concentrated. A greater centralization of Newfoundland's fishing industry would have far-reaching effects.

Most important result would be a concentration in population thus facilitating government and social services. Processing costs are reduced by the mass production methods made possible by the much bigger catches of fish. In the deep sea fishing it is possible also to separate the job of fishing from that of processing. In the inshore fisheries the fisherman must not only catch the fish, but also clean, salt and dry them. In the Bank fishery the vessel unloads its catch in port and shore workers take over the processing. In some cases processing is done mechanically.

In addition the centralizing effect of the deep sea fisheries is of great benefit in raising and maintaining the quality of fish. Fewer processing centres facilitate inspection which makes for the quality control at which the Fisheries Board is aiming. At present it is virtually impossible to inspect processing methods at all the coastal fishing villages, from which the inshore fishermen operate.

Centralization a Good Thing?

It is claimed that a greater centralization of Newfoundland's population is the answer to many of the country's economic ills. If so the bank fisheries are likely to play an important part in future development. The growth of the fresh and frozen fish industry is another step in this direction. It is believed that over a period of time, fishermen will move to the communities where a filleting or freezing plant is located. The frozen fish industry provides an added incentive to the fisherman in that all transactions are on a straight cash basis. This is weaning the fisherman away from the old barter system by putting purchasing power in his own pocket.

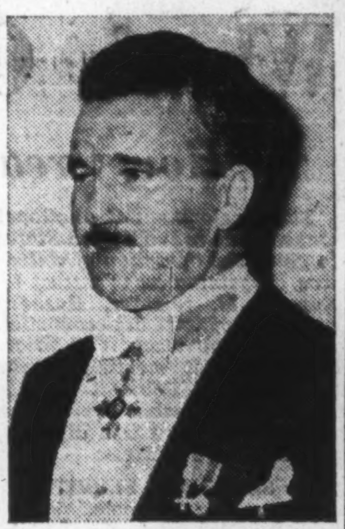
All in all Newfoundland's fishing industry is on a firmer basis than ever before in its history. Co-operation in place of competition has added immeasurable strength through all branches. And fishing companies, particularly those in the frozen-fish business, have taken advantage of the war and postwar demand and prices to improve and modernize their equipment, packaging and merchandising methods. Under the Fisheries Board the industry has moved far ahead of anything it has ever known.

In the final analysis, however, it appears that left to itself any Newfoundland Government or even the Fisheries Board can have only a limited effect on the fishing industry. Since Newfoundland fish is sold on world markets, the industry is largely at the mercy of word conditions.

A typical example of this was provided last year when United Kingdom suspended sterling convertibility. This meant that Newfoundland exporters would have to accept sterling—or nothing at all—for fish sold to the European market. Fortunately the Newfoundland Government had a cash dollar surplus to draw on and exporters were paid by the Government in dollars. The sterling payments are to be applied to the redemption of part of the sterling debt.

This problem of sterling convertibility is a most serious one for Newfoundland's fishing industry. It is difficult to see how the Government can do anything more than accommodate itself to these world conditions. It is possible that Newfoundland may again have to draw on the dollar surplus to finance fish exports. But these payments cannot go on indefinitely since there is only $10.8 millions of cash dollar surplus left to call on; unless, of course, United Kingdom repays the $7.3 million interest-free loan. The best solution will be if ERP dollars are made available for the purchase of Newfoundland fish.

Thus while the form of government which Newfoundlanders pick could under certain conditions and by unthinking policies break down the industry it cannot bring prosperity. It would seem probable that the Government in power would continue the present program of making each fisherman more productive. And if this eventually means fewer fishermen with higher incomes few Newfoundlanders will regret the change.



RAY GUSHUE, O.B.E., chairman of the Newfoundland Fisheries Board, and one of the most highly regarded men in Newfoundland public life. A lawyer, Mr. Gushue has played a prominent part in bringing order out of chaos in the Old Colony's fishing industry. During the war he won for himself an international reputation as an expert on fishery matters.

COMPANY REPORTS

MEXICAN LIGHT AND POWER gross earnings for 1947 showed an increase of 9.25% to $19,924,091, despite loss of revenue resulting from 20% restriction in power consumption for several months, due to a severe drought. Surplus for the year carried forward, after providing for all necessary interest payments, was more than double the 1946 figure at $878,938.

Expansion program, including additional units at Lerma and Necaxa, a new hydro plant at Patla and new thermal plant at Lecheria, as well as transmission lines and distribution substations, is expected to cost approximately $50 millions over the next four years. Request has been made to the International Bank for Reconstruction and Development for a credit to finance purchase of equipment outside Mexico. Mexican Government has agreed to guarantee the credit.

Generation of electrical energy at the power plants of the company and its subsidiaries, including power purchased, amounted to 1,548,607,292 kw.h. in 1947, against 1,472,710,672 kw.h. the previous year. It is expected that, due to an increase in amount of water stored and in steam generation available, no power restrictions will be necessary in 1948.

Wage increase of 25% effective May 1, 1948, will have to be compensated for through a special increase in rates for that purpose; and this is now under discussion with the Government, it is stated.

CONSOLIDATED INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Total net earn.	$4,970,858	$4,684,882
Less: Deprec.	1,844,000	1,813,000
Bond int.	932,241	964,195
S. f. payments	604,643	791,352
Exch. adj. (net)	......	9,796
Inc. deb. int.▲	711,036	711,036
Surp. for year	878,938	395,503

▲Charged each year but payable only to extent earned.

Times Bond Interest Earned:		
After deprec.	3.35	2.98

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$5,028,266	$6,082,765
Invest. at cost†	3,564,192	4,519,593
Accts. rec.	2,942,461	2,581,459
Inventories	2,825,419	2,172,215
Total curr. assets	14,360,338	15,356,032
Misc. assets	413,563	367,171
Due from govt.	4,427,503	4,456,305
Fixed assets	107,979,661	103,495,205
Deficit	5,022,886	5,901,824
Total assets	132,203,951	129,576,537
Accts. pay.	3,110,019	2,824,531
Accr. int.	7,777,212	7,798,024
Total curr. liab.	10,887,231	10,622,555
Def. liab.	6,232,529	5,540,898
Funded debt	31,677,069	32,401,735
Depr., etc., res.	40,851,666	39,174,955
S. f. reserve	13,770,456	13,051,394
Capital stock	28,785,000	28,785,000
†Market value	3,576,000	4,538,000
Working capital	3,473,107	4,733,477

OGAMA - ROCKLAND GOLD MINES started tuning up its mill in May and expected to get into full production on June 1, President G. A. LaBine states in 1947 report. Due to increased cost of supplies and labor, it was found necessary to negotiate another $325,000 loan with Gunnar Gold Mines, bringing total indebtedness to Gunnar to $575,000.

Ore reserves at Dec. 31, 1947, totaled 70,808 tons of definitely developed ore averaging 0.368 oz. gold per ton plus a further 9,540 tons of indicated ore averaging 0.333 oz. gold per ton.

While ore encountered on lower levels is stated not to have measured up to some of the better sections of the three upper levels, President LaBine reports that limited diamond drilling of the Rockland vein has indicated a 200-ft. length of ore of a grade equal to some of the better ore shoots of the Ogama vein. A second shaft is proposed to open this vein. Work at the present shaft has been carried to the 750-ft. horizon.

Balance sheet as at Dec. 31, 1947, shows $4,599 of current assets against $46,546 of current liabilities. Advances at that time totaled $313,000. A total of 1,801,624 shares was issued.

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What's Outlook for Wages, Prices?

How Great is Danger of Disorderly Rise in 1948?

The development of a national wage policy in the United States to guide the operation of collective bargaining was forecast by Sumner H. Slichter, Harvard professor of business economics, in discussing wages and prices at the recent meeting of the Academy of Political Science held at Columbia University, New York. Here is a digest of Mr. Slichter's address:

By SUMNER H. SLICHTER

What about the immediate outlook for wages and prices? Within the next year the danger of a disorderly rise in prices is likely to become quite acute because of increased armament expenditures, when the economy is already producing at capacity and the backlog of demand accumulated during the war has been far from satisfied. Another reason is that the country is tired of direct controls of materials, wages and prices and is not prepared to support them.

Fortunately, there are several favorable factors. Capacity to produce is greater than a year ago. During 1947, business spent $15.7 billions on new plant equipment. These large expenditures should help raise output per man-hour.

Also favorable:

Rise in productive capacity abroad.

Progress during the last two years in meeting demand accumulated during war.

The rate of saving, though still declining, has become so low that much additional drop is unlikely.

The third round of wage increases of this year seems to be running slightly smaller than the second round of last year.

Although backlogs of demand have been reduced, the accumulated needs of individuals and business concerns are enormous.

Unfavorable factors are formidable. The economy is producing at capacity. This can be enlarged only slowly. The economy has lost control over the use of consumer credit. As the output of automobiles and other durable consumer goods rises, this use of credit is likely to increase; and credit used to finance consumption is extremely inflationary.

Also unfavorable is the fact that cash budget surplus will be smaller than last year, and the rise in military expenditures, probably $5 billions, will almost wipe out the cash surplus.

Application of Courts

What should be done? A large rearmament program, started from full employment, really requires many direct controls; but Americans are not prepared for that. If the country pursues a large rearmament program for any period of time, direct controls will undoubtedly be necessary.

For the time being, the country must do the best it can with indirect controls and let experience slowly demonstrate the necessity for additional steps.

What indirect controls are available? Increase production as rapidly as possible. Arrange to obtain considerably more steel output from the Ruhr to help cut the cost of the Marshall Plan. Restrict the use of inflationary methods of financing production and consumption. Make every effort to keep wage increases down to moderate amounts. Develop a well-planned program to increase the volume of savings in the community. Adopt a moderate forced saving levy.

The great spread of collective bargaining is daily making the relationships between wages and prices of greater importance. No longer are wage movements explained in the main by the demand for labor. More and more, wages are the result of the wage policies of trade unions and are a determination of prices rather than being determined by them.

During the last two and a half years wage increases have affected prices mainly as a source of demand rather than as costs. Evidence of this is found in the absence of a close relationship between the wage increases in different industries and the advances in the prices of their products.

Less than half the increase in the demand for consumer goods during the last two years has been caused by higher wages in industry, indicating the importance of other inflationary influences. One of these was the tendency of people to save only a declining proportion of their rising incomes; another was that holdings of cash and demand deposits were high in relation to prices and expenditures.

Profits and Wages

Trade unions criticize the recent rise in profits without realizing that under present conditions union wage policies have helped to push up profits. Likewise, business men criticize union wage policies without realizing that these policies have helped industry make more money.

Another feature of the last two and a half years has been the contrast between the real and apparent bargaining power of trade unions. The period has been one of full employment and acute labor shortages; hence, trade unions have apparently been in a strong bargaining position. And yet wages have failed to keep pace with prices. It was easy for employers to follow each round of wage increases with a new round of price increases; thus, unions really had much less bargaining power than they seemed to possess.

The large increase in profits during the last year is being used by unions as a basis for demanding a third round of wage increases. They argue that employers can afford to raise wages without raising prices.

Profits in a few industries have been very large but profits in industry as a whole have not been excessive. Present profits in most industries are too small since they do not permit enterprise to attract venture capital.

Basing wage increases in different industries on the increase in profits in those industries would not necessarily be in the public interest. A large rise in profits ordinarily indicates a high demand for the product of the industry and a need to expand capacity. If wages were raised to absorb the entire increase in profits, however, expansion would be checked, because the advance in costs would keep the price of the product high and limit sales. Also the ability of the industry to attract outside capital and plow back earnings would be limited.

Wages and Prices

Can unions at present raise wages without producing offsetting increases in prices? Probably not. Industry has huge accumulated needs for plant and equipment and a general advance in wages is almost certain to increase the profits of the consumer goods industries and stimulate the demand for capital goods.

Another difficulty arises from the fact that prices are still low in relation to bank deposits and cash. So long as this situation exists there is a tendency for each round of expenditures to be higher than the previous one. Wage increases probably accentuate the tendency for individuals to spend more than their incomes. So long as this is true, employees cannot expect to catch up with the rising cost of living by obtaining wage increases.

When prices become so high that people will be unwilling to make each round of expenditures a little higher than their previous incomes, trade unions will be able to put up wages faster than the cost of living — but they may do so, of course, at the cost of producing some unemployment.

What about the long-run movements of wages and prices and the relationship between them? The rise of collective bargaining and of powerful trade unions may be expected to produce a slow upward movement of prices.

The rise of unions has created a new type of economy — an economy in which the supply price of labor responds far more readily than ever before to increases in the demand for labor and in which, indeed, the supply price of labor may rise quite independently of the demand for labor.

The difference between the rise in money wages and the rise in output per man-hour will have to be compensated for by an advance in prices. The Government may be compelled either to check the rise in wages or encourage a rise in prices. The first policy of the Government, one may safely assert, would be to encourage an advance in prices.

Will Unions Make Credit Policy?

The unions are likely to become the real makers of credit policy and possibly, in large part, of fiscal policy as well. No government will assume the responsibility of creating unemployment in order to limit the bargaining power of unions.

That raises this basic question: will the community permit the movement of wages and prices to be determined by tens of thousands of bargains between unions and employers or will it adopt a national wage policy and require that collective bargains conform to it?

Hence, the community may endeavor to make wages the subject of a national policy. The stronger unions will resist this development and they will be aided by the tradition of the labor movement which has always strongly opposed government interference with union activities. The stronger unions will probably be assisted in their opposition by a considerable part of the business community which would prefer to make concessions to unions rather than be regulated by the Government.

Two conditions will increase the probability that a national wage policy will be developed to guide the operation of collective bargaining. One is the possibility that such a policy will be supported by the weaker unions, since it would tend to protect them from the stronger ones. The second condition is the fact that three out of four workers are employees. Hence, the Government will be increasingly sympathetic to labor, and the influence of labor in politics will steadily increase. Experience shows that governments which command the confidence of labor are most effective in regulating the activities of trade unions.

The spread of collective bargaining and the shift of power between employers and unions will bring about changes in the ideas of the community about the rights and duties of employers and unions and the way in which collective bargaining should be conducted. The very spread of collective bargaining means that the country stands on the threshold of major developments in its economic institutions and public policies.

One is safe in asserting that thinking about industrial relations will place less and less emphasis on the rights of small groups of employers and workers and more and more emphasis on the problem of protecting the interests of the community as a whole.

Facts on Canadian Cotton Industry Placed Before Commons Prices Group

After declining from a 1942 peak, production in the Canadian cotton industry appears leveling off at around 20% above average prewar levels. Demand is still sufficient, however, to support an even higher operating level if adequate labor were available, G. B. Gordon, president and managing director, Dominion Textile Co. told the special Commons' committee investigating prices in the textile industry.

Yarn production is steadily increasing and that is the chief factor in the increased output, Mr. Gordon said. "There is a terrific demand for yarn and we have to supply it as best we can." Total bale openings—a good indication of activity in the industry—were 496,000 in 1942. In 1947 this had dropped to 363,262." (282,322 in 1938.)

Ottawa's enquiry revealed the cotton industry in a strong competitive position pricewise with U. K. goods, even after the recent tariff cuts, and showed inventory—contrary to belief recently expressed in many quarters—not in excess of the average year end inventories maintained through the past 12 years. In addition, substantial inventory reserves (as high as 60% of total inventory at end of 1947 in the case of Dominion Textiles), reduce the industry's vulnerability to sharp price drops in raw cotton.

There has been a steadily rising trend in dollar sales since decontrol on Sept. 15, 1947. Indications suggest, however, that a large part of this arose from higher selling prices. Average monthly sales for the seven-month period following decontrol, were up $560,000 or approximately 44% compared with the corresponding period the previous year.

Total Sales:	Sep. '46-Mar. '47 (000)	Sep. '47 Mar. '48 (000)
Five special companies*	$45,103	$64,681
Fourteen other companies	11,456	16,472
Three subsidiaries of tire and rubber manufactur.	5,759	8,575
Totals for 3 classifications	$62,318	$89,728

*Dominion Textile Company—Drummondville Cotton Company—Montreal Cotton Limited—Canadian Cottons Limited—Wabasso Cotton Company.

Income Ratio Varies

Average annual operating income for the 22 companies reporting for the 12 years, 1936 to 1947 inclusive, represented 11.2% of sales. But within the classification, the percentage ranges from an average of 2.3% for the three subsidiaries of the tire and rubber companies to 12.6% for the five special companies.

Following introduction of the raw cotton subsidy and its profit limitations, the percentage of operating income to sales fell from 15.8% average for the period 1940 to 1943 to 8.1% for the ensuing subsidy years.

Prewar Years:	Total Sales (000)	Oper. Income (000)	Oper. Inc. to Sales
Prewar years (1936-1939)	$218,609	$18,886	8.6%
Pre-subsidy years (1940-1943)	407,272	64,200	15.8%
Subsidy years (1944-1947)	433,396	35,196	8.1%
Totals	$1,059,277	$118,282	11.2%

A breakdown in groups of industries revealed that the five large companies suffered most from the subsidy introduction, their profit falling from 18% to 8.8%, against a fall of from 10.2% to 8.3% for the other fourteen companies (not including the three subsidiaries of tire and rubber companies).

Widest fluctuation in the components of the sales dollars in the cotton industry over the last 12 years has been the proportions of operating income and raw material costs. Here is the breakdown:

	Pre-War 1936-1939	Pre-Subsidy 1940-1943	Subsidy Per. 1944-1947
Raw Materials (cotton)	30.7c	27.2c	31.5c
Raw Materials (other)	14.5c	15.6c	17.0c
Labor	26.5c	23.9c	26.9c
Overhead	19.0c	15.3c	15.8c
Operating Income	9.3c	18.0c	8.8c
Sales dollar	$1.00	$1.00	$1.00

OPERATING INCOME DOWN

The average operating income of 18c on the dollar earned during the presubsidy period was reduced to 8.8c, due mainly to profit limitations imposed by the raw cotton subsidy agreement. The enquiry showed that on the average, stocks of finished goods reported by the five special companies in 1948 were not in excess of the average year-end inventories maintained throughout the 12-year period and were considerably less than the finished-goods inventory reported in 1939. The inventory has been reported in pounds and yards separately due to the fact that some of the companies show the finished goods inventories in pounds and others in yards.

	Thousands of Pounds	Thousands of Yards
1939	12,989	22,390
1940-1943	7,537	10,560
1944-1947	6,498	4,480
1948	9,602	3,060

The domestic primary cotton industry has never produced sufficient cotton fabrics, either by types or by volume, to take care of home consumption. Production has varied between 72% of supply (1938) and just under 50% (1947). Prewar, chief outside supplier was the United Kingdom. In 1943, however, a plan was worked out whereby responsibility for supplying fabric import requirements would temporarily be transferred to the United States. The system of wartime allocations to Canada by the United States came to an end, however, at the close of 1946. The exchange conservation measures adopted last November have sharply restricted the flow of fabrics from the United States. Under existing restrictions we will likely import about 80 million to 85 million yards from there in 1948. Meanwhile the United Kingdom which needs dollars as badly as Canada needs fabrics is trying hard to boost its exports to us from eight million yards in 1947 to 80 million in 1948. Based on 1947 standard of supply, that will leave a substantial gap. Assuming 85 million yards from the United States, assuming that the United Kingdom reaches its target of 80 millions and that the domestic net production equals last year's of 265 million yds.; the total of 430 million yds. would be about 25% over the 1935-1939 average but about 22% under last year's figure.

The following table shows the supply of cotton broad - woven fabrics available to Canada in particular years.

(Millions of Yards)

	Dom. Prod.	Imp. fr. UK	Imp. fr. US	Exp.
1935-1939 average	251	70	24	1
1942	369	39	178	18
1946	268	5	213	13
1947	265	8	276	16
1948 (1st quart)	67*	4	30**	.3

*Estimated on basis of bale openings.
**Month of March estimated.

"A Stabilizing Factor"

Questioned on the effect of the recent reduction of tariffs on prices, A. G. S. Griffin, secretary, WPTB stated. "My feeling is that the reduction is going to be more a stabilizing factor than actually a medium for a reduction of price; but those factors ... will possibly stave off a rise in prices, and may very well stablize the price level as it stands now."

Attention was drawn to the fact that prices of Canadian-made cotton fabrics are generally lower than those in the United States, and substantially lower than British prices.

Comparative Prices of Cotton Fabrics
(Prices are in cents per yard laid down in Canada, prior to tariff changes, May 19)

Type	Canad.	U.S.	U.K.
Sheeting, pr. 5.50 yd.	.23½	.29	.35
Work shirtings Denim 28/29" 8 oz. sanf. blue	.43	.48	.53
Shirtings (Higher grade) 128x68 combed white	.40½	.60-.66	.72
Bed sheeting 81"	1.00	1.02	1.21
Broadcloth 80x80	.35	.45	.55

LOUVICOURT GOLDFIELD CORP. advises that production has risen to over $2,000 per day with actual millheads averaging $5.508 per ton, by far highest yet attained. Final figures have not been released but it is estimated that operating profit for May will exceed April. West drift on 375-ft. level has passed through a porphyry dyke of type believed to be associated with ore deposition, with the face in ore. The drift is being stopped to permit raising to surface to provide a second exit from the mine. Drifting east is to be resumed.

EUREKA CORP. has lowered water level in the Fad shaft to third level, where it is being held pending installation of more station pumps at second and third levels. Additional Diesel power units, electric cables and pump columns are being set up prior to lowering two more pumps to recover the fourth level at 1,684 ft. The third pump will be used as a standby. Following installation of more pumps on the fourth level, a similar procedure will be used to recover the sixth level at 2,250 ft.

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INVESTMENTS

Base Metal Index

Would you please give me a list of the 10 stocks that make up the Toronto Stock Exchange base metal index.

Here are the stocks:
Consolidated Mining & Smelting
Falconbridge
Hudson Bay Mining
International Nickel
Labrador
Noranda
Pend Oreille
Sherritt Gordon
Steep Rock
Quemont

Buying Gold Stocks

What gold stocks or group of gold stocks do you expect to benefit the most in the case of an increase in the price of gold? I am thinking of buying now, with a view to capital appreciation some time hence.

To know—or even guess—which gold stock or group of stocks might benefit the most by an upward revision in the price of gold, it would be necessary to know just when the increase might occur. You will agree, that under our present circumstances revision in the price of gold cannot be accurately predicted, might not even occur at all.

Under ordinary circumstances, marginal gold producers — those which are doing little more than breaking even — would appear to have the most to gain from an increase. Others which would have a lot to gain would be gold mines which have sufficient ore indicated or proven up to justify a further increase in mill capacity. However, the position of marginal producers might be so jeopardized in the next year or two without an increase in the price of gold, that they may be no longer in a position really to benefit so substantially, should a higher price eventuate.

If a person felt certain in his own mind that gold would be revalued at a higher price within a longer but still reasonable space of time, it might be better to buy some of the better established gold stocks. While the capital appreciation realized might not be so great, the risk involved in making a commitment would not be nearly so great either.

Our marginal mines are chiefly those treating a lower grade of ore such as East Malartic, Consolidated Beattie, Elder, etc. The larger producers such as Dome, Lake Shore, McIntyre, etc., appear to possess much greater long-term stability. Madsen, Kerr-Addison and possibly Bralorne, have further expansion chances.

Mylamaque Mines

Can you give me some information on development and finances of Mylamaque Mines?

Mylamaque Mines finished off under ground work for the present in the early spring, when contract was completed for lateral work on 200-ft. level. Program developed some 700 tons of ore and arrangements were made to ship the material to the neighboring Siscoe mill for treatment at rate of 50 tons a day.

Erratic nature of underground sampling induced company officials to have the test runs at Siscoe, as the only feasible methods of accurately determining average grade of ore. Results of the test in all probability will determine whether a permanent plant will be installed and underground work resumed.

In August, 1947, Mylamaque Mines reported cash of $3,743 and investments of $72,719.

INCOME TAX

Resident Part of Year

I am a Canadian citizen at present resident in Newfoundland. My firm will likely move me back to Canada in September. How will that affect me for income tax?

You will be liable for Canadian income tax but will be entitled to a special tax credit, equal to the proportion of the whole tax which the number of days you were not resident in Canada, bears to the total number of days in the year. Thus if you return to Canada on Sept. 1, you will be entitled to a credit of 244/366 of the total tax for which you would otherwise be liable.

TAX NOTES

Revised Bankruptcy Act Clarifies Taxation Points

By STUART THOM

The new and revised Bankruptcy Act introduced into the Senate earlier this month clarifies the law on several points of tax interest. A minor matter has to do with the filing of returns on behalf of the bankrupt. Bill 454 (the revised Income Tax Act) provides that a trustee in bankruptcy administering the property of a person who has not made a return for a taxation year shall make the return (see section 40). The new Bankruptcy Act, section 8(14), provides that the trustee shall be required to perform only the duties specifically imposed on him under that Act. The explanatory note to this provision says:

> "In many cases attempts have been made to impose duties on a trustee in no way related to the administration of the estate such as filing returns of one type or another which the bankrupt failed to do. It is a perversion of justice to try to make a trustee responsible for the misdeeds of others."

There would seem to be a certain lack of co-ordination between the bankruptcy and the taxation officials.

The new Bankruptcy Act will incorporate a comprehensive Scheme of Distribution and Priorities. A new section, 97, will replace existing sections 121 and 125 which leave much unsaid. Bringing up the rear of section 97 is subsection "j" whereby all claims of the Crown in the right of Canada or of any province thereof rank **Pari passu**, notwithstanding any statutory preference to the contrary, next ahead of ordinary creditors.

In the common law provinces this will not change what has been the law by virtue of judicial decisions to the extent that a claim of the Crown for taxes is given preference over ordinary trade creditors. Such preference is based on the Crown's prerogative.

In Quebec, however, where the common law of England does not prevail, the prerogative has not been recognized and income tax claims at least had no preference over ordinary creditors. There will, accordingly, be a change in Quebec law.

A further change in the law appears in new section 137 which provides that an order for discharge of the bankrupt shall not release him from any debt owing to Canada, a Province of Canada or a municipality of Canada.

At the present time in the common law provinces, bankruptcy proceedings are considered to dispose of tax claims as well as trade claims. In Quebec there is some conflict of judicial authority although a 1947 decision held that taxes as such, and distinguished from penalties, were wiped out.

There is no explanatory note accompanying this new section 137. Trade creditors may feel some concern at the policy of the Crown in confirming a statutory preference and then refusing to be bound by the ordinary consequences of a bankruptcy proceeding.

A related provision in bill 454 is section 49(2) which carries forward section 41 of the existing Income War Tax Act. It provides that every trustee in bankruptcy before distributing any property under his control shall obtain a certificate from the Minister certifying that there are no outstanding assessments of taxes. This statutory provision has hitherto been regarded as an anomaly and more or less side-stepped. If the provisions of the new Bankruptcy bill become law, the effect of section 49 of the Income Tax Act will have to be reconsidered.

COMPANY REPORTS

NORTHERN CANADIAN MORTGAGE CO. net profits of $15,727 in fiscal year ended March 31, 1948, were up slightly from $15,661 in previous year. Higher earnings reflected benefits of increased rents last year, but income from discounts earned and profit on real estate sold was only $406 as against $3,501 in 1946-47 fiscal year.

Prior encumbrances on apartments owned were reduced $48,598 and buildings were maintained in good repair. Bank loans increased $22,000 to $50,000. Special fees of $2,250 were paid solicitors and accountants for work performed in regard to special assessment of $8,500 made by government on profits derived from sale of shares held in other companies. The assessment was withdrawn.

Northern Canadian Agencies, a wholly owned subsidiary, experienced a satisfactory year.

	1948	1947
Liabs. to public, etc.*	$68,114	$48,534
Shareholders' equity	381,246	377,660
Capital surplus	43,237	43,237
*Secured by:		
Mtges. & sls. agree.	44,014	50,883
Realty for sale	332,991	305,654
Liquid assets§	115,592	112,900
Total	492,597	469,437
§Including bonds and stocks.		
Earned per Share‡	$1.28	$1.20
Paid	†1.00	‡0.80

‡Pref. only, based on paid up stock.
†Includes 50 cents pay. July 1, 1948.
‡Includes 40 cents paid July 1, 1947.

"EXPORT"
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Government to Help Finance Better Tourist Facilities, Plan

OTTAWA (Staff) — By the time provincial and federal tourist officials meet here in annual conclave this fall, it is hoped to have ready for scrutiny and discussion, a full-fledged plan for financing construction and improvement of certain types of tourist accommodation across Canada.

Reference to such a scheme was first made in the House recently by Rt. Hon. C. D. Howe, Trade and Commerce Minister. The plan, still in the embryo stage, was worked out initially by David Mansur, head of Central Mortgage & Housing Corp.

Basically, it is an attempt to apply to the field of tourist accommodation, the same approach which was introduced many years ago for financing home improvements. Some arrangement is envisioned whereby banks will finance expansion or improvement of certain types of tourist accommodation under a blanket low-interest program, underwritten by a government guarantee.

Any such scheme would require a great deal of discussion and negotiation as between the Dominion and the provinces, several of which now have inspection or grading arrangements for regulation of tourist accommodation. Presumably any federal aid would be tied into such plans, so that provinces would play a part in encouraging only approved types of accommodation.

It is specially desired to encourage the better class of middle-grade tourist home and facilities. The "carrot" presumably would be an attractive rate of interest, and the provision of easy loan facilities, available through the bank under some sort of government sponsorship.

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Swimming, canoeing, rowing, sailing, fishing—these enter into most vacation plans. But too often, holidays bring tragedies—over 1000 Canadians drown each year.

The Canadian Red Cross Society water safety rules are printed here in the hope that both adults and children will learn them, respect them, and *obey* them.

RED CROSS Rules for Water Safety

1. **Learn to swim safely.** Join a swim class sponsored by Red Cross or other recognized organizations. Know your own limitations as a swimmer.
2. **Learn artificial respiration.** The briefest delay in applying it may cost a life.
3. **Where to swim.** If possible, swim in a supervised area. Investigate unknown water before swimming or diving. Respect "DANGER" signs.
4. **When to swim.** Late morning and afternoon are the safest hours in which to swim.
5. **Temperature and time.** Between 70° and 80° is best (warmer water relaxes too much, colder exhausts). 30 minutes is long enough in the water for the average swimmer.
6. **Swimming after eating.** Wait at least 2 hours after eating a regular meal before swimming.
7. **Panic** contributes to most accidents. Learn to scull and tread water. Novices must stay in shallow water while learning to swim.
8. **Exhaustion.** Avoid over-activity before a swim. Over-exertion while swimming, and extremely cold water also contribute to exhaustion.
9. **Always have a companion** when fishing, swimming or boating. *Never* swim alone.
10. **Reaching aids.** Learn how to use all reaching aids; how to use floating objects to support yourself; how to throw handline and ring buoy.
11. **Cramps.** If hit by stomach cramps, scull to support yourself and call for help. To ease leg cramps, take a deep breath, submerge, and seize cramped muscles with thumb and fingers of one hand, pressing through the muscles to meet those of the other hand.
12. **Currents.** Never buck a current. Swim diagonally across and with its flow. If unable to reach shore, drift to save strength and call for help. If caught by an undertow, go with it and swim diagonally upwards to the surface.
13. **Weeds.** Use gentle, slow drawing and shaking movements to get out of weeds. Swim *with* the current, not against it, until freed.
14. **Boating.** If capsized, hang onto the boat and call for help. *Never* enter a canoe unless you are an experienced, competent swimmer.

N-29

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Waterfront of the Town of York (now Toronto) in 1832. Gooderham & Worts Mill in foreground.

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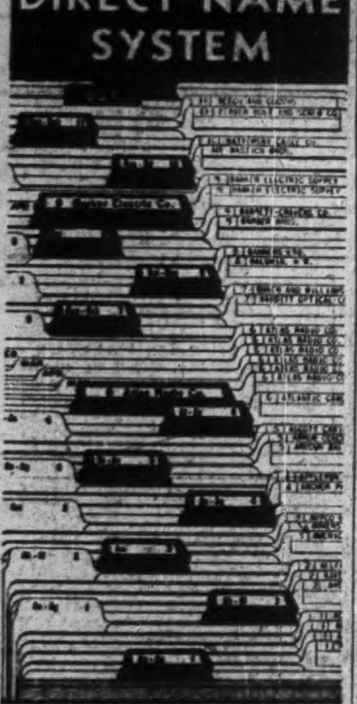

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LONDON CALLING—*By Adelphi*

Anti-Socialist Coalition for Canada? Old Land Ponders, Scanning Vote Results

LONDON—The Ontario election has caused much interest in London political circles. The rise of the CCF to second place in the Ontario Legislature, plus the three Socialist victories in by-elections is taken as a sign that the continuation of two right-wing parties may become increasingly difficult.

From this distance it does not seems likely or desirable that either of the two great traditional parties should disappear now, or that they should coalesce. That would only add many votes to the CCF. Nevertheless, it is thought that union might be enforced by events within the next 10 years.

* * *

There is real sympathy for Premier George Drew in being thrown out by his own constituents. However, he now shares that distinction with Field Marshal Smuts and Mr. Mackenzie King. Canadians in London say that Toronto the Good was punishing Mr. Drew for introducing cocktail bars to Ontario. It would seem that the temperance movement in Toronto believes that of two evils, it is better to buy a bottle than a single drink. This does not seem altogether logical to us over here; but then morality, like plant-life, is much influenced by climate. And from travelers' reports, it would seem that Toronto has lots of climate.

George Drew is very popular in London. Some here say the Conservative Party could use him at Westminster, if Ontario doesn't want him.

* * *

Menzies to Demand Immigrants from U. K.

The British Government is waiting with mixed feelings for the arrival of R. G. Menzies from Australia. Mr. Menzies has a cultured, sardonic tongue which is hard to control. But he also has a burning zeal for the Empire. Advance reports indicate that he intends to bang the table when he reaches London. One of his points will be that Australia cannot continue its "white man policy" unless it gets population from the British Isles.

Also, he thinks it is time that the Empire spoke with a united voice, instead of the different member states just keeping each other informed.

The last time Mr. Menzies was here was in the war, when as Prime Minister of Australia he held power by a majority of one. He is not popular in his country but he is respected. In London, where they love satire and irony, he is both popular and respected.

He is an ardent lover of cricket, and will no doubt find time to watch his fellow countrymen rolling the English in the dust. Recently Keith Miller, the brilliant Australian bowler, apparently got tired of knocking down England's wickets and started to knock English batters instead. The enraged crowd booed him off the field, which was very silly of them.

* * *

French Horses Take Two Epsom Classics

I rather imagine that we would also have liked to boo the Aga Khan who won the two Classics at Epsom (the Oaks for fillies and the Derby for colts) with French horses. Incidentally, in case I mislead any Woodbine specialists, their is nothing to prevent a filly entering for the Derby, but on no account can a colt enter the Oaks.

This, on the surface, seems like sex discrimination. Probably the reason is that the male of the species runs more swiftly than the female (perhaps he has to) but it is on record that a filly once won the Derby.

The excuse for the defeat of British bloodstock is the usual one of undernourishment. There may be something in the theory, but I think it is in the training. For some reason, the French horses can usually get the distance.

* * *

The Epsom meet was also remarkable for the fact that the champion jockey, Gordon Richards, did not have one winner. This stocky little fellow has an immense following, and one of the favorite systems is to "double up" on his mounts.

But when Richards turned up to ride at Brighton, after Epsom, he had ridden 29 consecutive losers and then, at Brighton, he was thrown by the hot favorite and two ribs were broken. As all readers of The Financial Post are actuarial experts, I shall not tell them how much it would have cost if any one, starting with £1 stake, had doubled up on Richards' 29 losers.

* * *

Royal Ascot Revives Splendors of Past

The glory of other days came back for a little time when Royal Ascot opened for its famous four-day meet, where no stake is less than £1,000 and most are far in excess. The King and Queen drove to the course each day in an open carriage, and everywhere we saw the English male in his plumage of morning coat and grey topper.

For what it is worth, no other human creature can wear these clothes like an Englishman. He seems to have been poured into them like wine into a bottle, with the grey topper as a cork. After Ascot he will put away these trappings until the Eton and Harrow match (which always ends in a draw) when he will pay homage to the younger generation with that sense of continuity which is so essentially English.

The Royal Enclosure at Ascot still maintains its Victorian code that no one who has been divorced can enter it. A husband who has "taken the rap" and given his wife her freedom is barred forever. But there is nothing to prevent a married man from taking his lady friend to the enclosure. All of which seems to call for a mixture of admiration and satire.

* * *

George Drew has arrived in London. We are so used to Czech politicians fluttering down from the skies that for one brief moment we thought that the Ontario Premier had got away just in time before being arrested by Toronto's Temperance Gestapo.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

STANDARD CHEMICAL CO. gross value of sales of manufactured and resale products in year ended March 31, 1948, showed a marked improvement over preceding year, Chairman W. E. Phillips states. Net profits finished 51.7% higher at $562,075.

The new product "Carboxel" is steadily gaining acceptance by Canadian industry. A recession in salt market during latter half of year adversely affected results of Goderich Salt Co. and of Maritime Industries. In spite of this, results for first complete year of operation for Maritime Industries are encouraging.

Demand for products of Dalglish Companies has been steadily increasing, and good progress is being made in opening up and developing new markets across Canada. Management of Standard Chemical is continuing to stress research and development work relating to new processes and products, and to investigate merits of those projects which indicate promising features involving expansion of company's activities in the chemical industry.

Investments in marketable securities of other companies in or associated with the chemical industry were increased by $1,467,052 in fiscal year. Interest in voting trust certificates of Dominion Tar & Chemical Co. increased from 35% to 40% of common shares of that company.

CONS. INCOME ACCOUNT

Years Ended Mar. 31:	1948	1947
Oper. profit	$619,530	$441,844
Add: Invest. inc.	225,706	173,747
Other income	89,297	50,837
Less: Bank int.	59,203	24,055
Trans. gen. res.	......	42,383
Net earnings	875,332	599,990
Less: Deprec:	131,257	76,761
Income taxes	182,000	152,892
Net profit	562,075	370,337
Less: Pref. divds.	100,000	50,000
Com. divds.	300,000	75,000
Surplus for year	162,075	245,337
Earnings per Share and Dividend Record:		
Preferred:	$18.74	$37.03
Paid	5.00	5.00
Common	0.62	*0.60
Paid	0.40	0.10

*Based on average common shs. o/s in year (531,000); on 750,000 shs., common earned 43c; in 1948 pref. based on 30,000 shs. o/s.

CONDENSED CONS. BALANCE SHEET

As at Mar. 31:	1948	1947
Cash	$371,611	$680,341
Accts. rec.	1,231,569	946,779
Tax recov.	39,371	191,424
Inventories	1,764,285	1,187,951
Total curr. assets	3,406,836	3,006,495
Prep. exp.‡	53,087	53,016
Investments	5,608,793	4,138,595
Misc. assets▲	140,307	141,821
G'will from consol.	787,307	787,307
Fixed assets*	2,907,193	2,119,264
Total assets	12,903,523	10,246,498
Accts. & tax. pay.	1,053,210	921,682
Divds. pay.	112,500	87,500
Total curr. liabs.	1,165,710	1,009,182
Spec. bank loan (sec.)	1,500,000	1,000,000
Invent. & gen. res.	275,000	275,000
Capital stock	9,291,078	7,291,078
Surplus▲	671,735	671,232
*After depr. of	970,118	901,763
▲Incl. ref. EPT.	50,645	55,267
‡Incl. in curr. assets in co's. report.		
Working capital	2,241,126	1,997,313

CANADA VARNISH CO. net profits at $125,384 in 1947 were substantially higher than the previous year. Some raw materials are still scarce and in the main, all continue high in price, President R. E. Edwards states.

Linseed oil is an outstanding example of abnormal cost. During war period, price of this commodity was held at a very reasonable figure under controls, but since controls were removed it has increased by 200%, Mr. Edwards adds.

Outlook for 1948 is favorable and, while it is difficult to forecast what volume this year will be, spring bookings were above normal. Residential demand is still far from satisfied, and erection of buildings for trade and industry is expected to continue at a high level.

CANADA VARNISH CO., LTD.
INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$245,597	$147,240
Less: Deprec.	19,159	17,117
Income taxes	101,494	58,736
Add: Asset prof.	440	......
Net profit	125,384	71,387
Less: Pref. divds.	5,000	......
Com. divds.	50,000	50,000
Surplus for year	70,384	21,387
Earnings per Share* and Dividend Record:		
Preferred	$7.84	$4.46
Paid	0.31¼	....
Common	1.05	0.51
None paid.		
Old com.: Paid	200.00	200.00

*Based on present capitalization.

CONDENSED BALANCE SHEET

As at:	Dec. 31 1947	May 31 1947
Cash	$303,529	$200
Mkt. secs.	10,418	913
Accts. rec.	73,861	99,318
Inventory	303,056	140,647
Total curr. assets	690,864	241,078
Misc. assets▲	20,428	18,767
Fixed assets	262,918	259,086
Total assets	974,210	518,931
Due bank	......	3,864
Accts., tax., etc., pay.	167,539	115,092
Containers res.	500	500
Total curr. liabs.	168,039	119,456
Deprec. res.	148,894	139,855
Capital stock	425,000	25,000
Earned surplus▲	232,277	234,620
▲Incl. ref. EPT	11,552	11,552
Working capital	522,825	121,622

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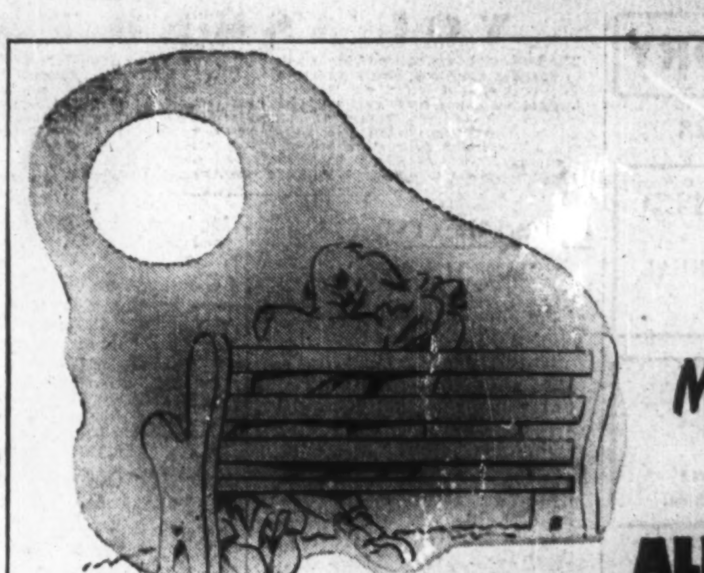

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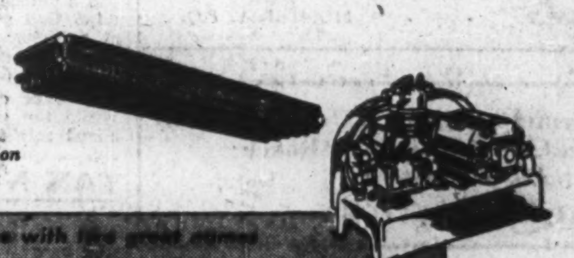

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